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London Makes a War Savings Effort

One of the lions in Trafalgar Square guarding some of the National Savings Campaign posters which were displayed there during a recent drive to buy war weapons. Shanghailanders should take some of the slogans to heart. The Voluntary War Contribution Fund wants to be able to buy its second squadron by August 15.

Britain's War Effort

Mr. Winston Churchill's speech in the House of Commons exploded several fallacies which have become current in the United States and Great Britain. These fallacies had their origin chiefly in Parliament during debates upon their circulation may have done the British cause some harm. It is a principle of Democracy, however, that the critic, even if misinformed, may have his say; it is nevertheless to be deplored that misinformation among Members of Parliament, who have plenty of facilities for getting the facts, should have been responsible for what are now revealed as widespread misapprehensions. Warning equally against optimism and pessimism, Mr. Churchill painted an encouraging picture of the progress being made in the British Isles. It can be understood that the necessity for the dispersal of the aircraft industry would hamper production, but as the Prime Minister remarked, "we may be retarded but we can no longer be destroyed." That is the vital answer. Concentration of aircraft factories may make for speed, but it also makes destruction of the factories more simple for the enemy. The criticism that American planes had been received in Britain without the necessary ancillary parts and had been kept useless in their original crates was also effectively answered by Mr. Churchill. American planes ordered by Britain were always accompanied by the needed spare parts, but those taken over after the collapse of France, which had been ordered to French specifications, were received without spare parts, and in addition needed considerable adaptation before they could be put to full use by the R.A.F. In the circumstances, therefore, it was natural that there should be some delay before these planes could be put into active service. Among important alterations which had to be made was replacing the guns on these planes with weapons which would take British ammunition. Mr. Churchill revealed that facilities for making these changes speedily had now been devised, and the planes were in use by the R.A.F. The Prime Minister also disposed of the report that the production effort was only 75 per cent., by asking the question: 75 per cent. of what? He revealed that after Dunkirk, where the British army lost practically all its equipment, workers stayed at their lathes until they collapsed. Thanks to this sacrifice, the army was able to rearm in what must have been record time. But no employer of labour could consent to his workmen slaving at this pitch all the time. It would be impossible for a number of reasons, the most obvious of which is that a worker required to carry on in this fashion for weeks or months would rapidly deteriorate in efficiency and production would thus be slowed down instead of speeded up. The British Empire does not expect any other country to win this war for it, as the deeds of the last year have amply proved. There is no false reliance upon American production, though appreciation of the importance of that production and of the goodwill which goes behind it has never slackened. There is no belief that the Russians will save Britain the trouble of fighting, by smashing Hitler before the British army can again come to grips with him. There is, however, full realization of the fact that the British war machine must be geared to a speed which will enable it to carry on, steadily increasing in efficiency, for "the duration." This war will not be won by any miracle, but by the application of constantly increasing pressure on the enemy, on the sea, in the air, and finally on the land. No policy of fits and starts can achieve this pressure; it can only be applied by the planned action of the people's trusted leaders, backed by the firm determination of everyone to stop at no sacrifice, to flinch at no horrors, until the day of victory dawns.

More Excuses

Of all the various reasons given for the slowness of the German and German-Finnish advance surely those given by the Berlin correspondent of the Berne newspaper "Bund" are the most interesting. Describing conditions on the Finnish-Russian frontier he writes of "An endless column of heavily laden soldiers march, gasping, and cursing through the nightmare of endless forests. There are no roads, no communications, no lorries and no motor-cycles. Only the absolute essentials of equipment are carried, overcoats and blankets being left behind, although the nights are terribly cold and damp. The days are frightfully hot, while millions of torturing mosquitoes swarm over the labouring soldiers' heads. Often the soldiers must wade knee-deep through black swamps." It all sounds very terrible but it needs to be remembered that if the invaders are suffering in this manner, so also are the gallant Russians. They find the days frightfully hot and the nights terribly cold and damp. The mosquitoes sting Russian just as much as they do Germans and Finns. Often Russian soldiers have to wade through swamps, and march through endless forests. Local conditions operate just as much against one side as it does against the other, and to plead those disadvantages as responsible for the failure of the German-Finnish troops to make much headway does not in the circumstances appear to be very convincing. Rather is it to be assumed that the Russians suffering under the same conditions as their enemies are able to surmount their difficulties and resist the invaders in a manner which does them infinite credit. It is all very well for the German propagandists to find all sorts of excuses because the invaders are woefully behind their timetable, but the very fact that they are doing so is highly significant as proof that the Germans are no longer having it all their own way.

Strength of Democracies

The sharp reaction of the British Empire, the United States, and the Netherlands to the latest Japanese move into Indo-China will undoubtedly furnish the moderate elements in Japan with good arguments with which to check the activities of their extremists. A year ago such a reaction would have been almost impossible. Much has happened in the last twelve months, however, to change the situation. The Democracies are better prepared today than they ever have been to meet any threats to their interests in any part of the world. And their strength is growing daily. Meanwhile the strength of the Axis powers is steadily dwindling. The German navy has been crippled, and that part of it which is left is fully occupied with the Russian fleet in the Baltic. The Luftwaffe has suffered most serious losses in raids over England, during R.A.F. sweeps over occupied territory, and finally in the war against Russia. The German army, which Hitler, deceived by the spectacular successes it won in the past, has flung against the Soviet Union, is finding that it has its hands full. German economy has improved during the year, with the seizure of the assets of the occupied countries, but the improvement is only temporary. The Nazis are living on their capital and the capital they have managed to loot from their victims, and this kind of thing cannot go on for ever. They must have more capital to live on, and they had hoped to get it easily from Russia. They have been disappointed. Perhaps never since the war began have things looked blacker for the future of Hitler and his gang. Italy as a factor in the Axis can be eliminated in any estimate of its strength. Even Italian home waters are no longer their own, and any hopes the Nazis may have built upon Italian ship-building to replace the increasingly heavy losses they have suffered in the Mediterranean and in the intensified R.A.F. bombings of supply ships from Norway to the French coast can be discounted right away, since Italy has not got the necessary raw materials. It can be seen, therefore, that the balance of strength is now definitely weighed down in favour of the Democracies, who feel at liberty to take up any fresh challenge which may be made in any part of the world. A year ago there was a fear that a refusal by the Netherlands East Indies and an embargo by the United States on oil supplies might force Japan to take military action against the N.E.I. to secure her supplies. The prospect that Japan may be forced into some such action still exists—but it is no longer feared. The Democracies are strong enough to deal any new situation which may arise. In the circumstances, therefore, it is somewhat surprising that the Japanese extremists have taken no note of this development. The excuses trumped up for the occupation of military, naval and air bases in South Indo-China have already been worn thin by Hitler in his aggressions against the states in Europe which have fallen under his sway. They will convince no one. Vichy supineness has given the Japanese a veneer of legality for their latest movement, but even Admiral Darlan himself cannot believe that there was ever sufficient of a threat to the French colony from the British or the Chinese to make it necessary to give the colony away on a platter to another nation, known for long to have coveted it. There thus can be no justification of any plea of defence of the French Colony, nor of defence of Japan itself. And if the Tokyo press continue to express themselves as puzzled over the credit "freezing" moves, the Democracies can without twisting the facts in any way give as a reason for their action a reason which the Japanese themselves have made all too familiar to the world since 1937—"military necessity."

Bank Holiday

After a record tank month Lord Beaverbrook exhorted his tank workers to have a good Bank Holiday and "come back on Tuesday with the certain knowledge that you are going to make August a better tank month than July." The shade of Sir John Lubbock, afterwards Lord Avebury, will probably rejoice that this August bank holiday, which he secured for the nation's workers in 1871 by the Act which he carried through the House of Commons, is being observed despite the fact that the biggest war in the world's history is in progress. It is a wise measure to see that the men and women of the nation engaged in the most arduous work of manufacturing munitions should have a respite from their labours, and a rest from Saturday afternoon to Tuesday morning should remove all fear that Jack and his Jill will be made dull people by all work and no play. But there is rather more to it than that. The observance of the holiday is in itself an indication that the Government is satisfied with the output of the means for carrying on the war against the enemy. The loss of so many million working days by this short holiday is indeed no small matter, and the fact that it has been made possible speaks well for the labour which has been put in during the past year or so. It proves more. It shows that Lord Beaverbrook with his highly dynamic personality has been able to do for the production of tanks what he did for the manufacture of aeroplanes, and that he inspires the workers under his control. So today, though it may be a different holiday from that of other years, perhaps, thousands will gather on Hampstead Heath to the blare of the roundabouts and the shouts of the "barkers" exhorting the crowd to be merry. Probably Adolf will by now have taken over the rôle of Aunt Sally, allowing the crowd to throw at his effigy those hard balls which they would like to throw at him in person. Cockneys and their Donahs will indulge in a little exercise on the swings, or reposing under the trees coax the shy retiring winkle from his shell, or standing round a stall discuss such delicacies as the whelk and the cockle. But the fact is that the workers of Great Britain are able to take a holiday and that, as a well known negro character is said to have remarked, "is sump'n."

A Gay Thought

The B.B.C. appears to have struck an entirely new note. It did remarkably well with its "V for Victory" broadcast capturing the imagination of all that part of the world which loathes Hitler and all his works. But this latest emission directed against Ribbentrop for the special consumption of German listeners opens up a delightful vista of possibilities. The broadcaster held Ribbentrop up as the bounder he undoubtedly is, with his "phoney" *von*, his smuggling of vast sums of money from the country, his robbery of Frau von Remitz of her castle in Austria and the murder of her husband, and the forgeries which he prepares to justify every act of German aggression. The man is a criminal and deserves to be shown up to his own people in that light. But there are other subjects with which the B.B.C. can delight German listeners and annoy the Nazi leaders. There are, of course, the various amours of Goebbels, and the *contretemps* he has encountered as a result. Hermann Goering's love for uniforms and the generally ridiculous figure he manages to cut would provide much material for a little gentle, innocent fun poked at the man who toys with lion cubs for purposes of publicity. What could be done with Himmler it is not easy at this distance to see, but he is a very unpleasant sort of person and his murky past is stained with blood. The temptation would be to dramatize the planning of the explosion in the Munich pub, where Hitler holds his annual party meetings, which was designed not for the removal of Hitler but for the extinction of Hess. Then of course there would be Dr. Ley who might give a hiccoughy discourse on the qualities of German beer. Hitler presents some difficulties, but something could be done with Ribbentrop "kidding" him along about the "denegerate" British and the one promise which he made at the beginning of the war. It will be remembered that dramatically, he declared he had put on his soldier's uniform and would not take it off until victory had been achieved. It is a pity it is impossible as yet to produce odour effects by wireless, for if Hitler has not broken that very definite promise he must stink as high to the heavens as so many of his actions do.

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CHINESE POLITICS

Quo Tai-chi Sees Pressure On Thailand

Chungking, Aug. 2.

"World interest now centres on Thailand, since Japan is not only moving toward that country, but is actually in Thailand itself," declared Dr. Quo Tai-chi, Chinese Foreign Minister, in a press interview this morning.

He added that the "latest indication is that Thai recognition of Manchoukuo is a result of Japanese coercion. Recently there had been hopes that Thailand would resist Japanese aggression. The fate of Indo-China, her neighbour, should be a warning to Thailand, but it is regrettable that Thailand allows herself to be dominated by Japan. Thailand's move not only concerns China but other Powers in the Pacific, who have already demonstrated their displeasure at Japan's aggression against southern Indo-China by economic measures against Japan."

Questioned if China was taking counter-measures against Thailand, Dr. Quo replied that the Chinese Government had not yet received official confirmation of the report of Thai's recognition of Manchoukuo, but that it was considering the question, though fully understanding that Thailand's move was entirely due to Japan's coercion."

Britain, U.S. Thanked

The Foreign Minister, expressing gratification at the economic measures against Japan on the part of Britain, the United States and the N.E.I., stated that British and American parallel and concerted action was in line with China's persistent desire for closer cooperation against the aggression Powers.

He said: "The measures are not only a serious blow to Japan but mark a further clarification of the international situation. China found herself in a peculiar position in the first two years of the war, fighting alone without allies though receiving some assistance from Britain, the United States and Russia. Our enemy was not then regarded as a common enemy by other powers. There was even a tendency on their part not only to avoid provocation but to appease Japan.

"The recent economic measures marked the first direct action on their part against Japan."

Questioned if Mr. Harry Hopkins was coming to Chungking, Dr. Quo replied that no official word had yet been received, but assured him of a warm welcome if he came.

After declaring that all German and Italian diplomatic, consular authorities and nationals had left China, Dr. Quo said only missionaries had been allowed to remain so long as they restricted their activities to missionary work and abided by Chinese laws.—Reuter.

Chungking More Optimistic

Chungking, Aug. 4.

Optimism among Chinese circles regarding prospects of early termination of the Sino-Japanese hostilities is growing higher daily with increased economic pressure against Japan on the part of Britain and the United States and a continued flow of American and Soviet supplies into China.

It is generally admitted that Soviet resistance against the Germans is playing an important part in strengthening the position of Britain and America in the Pacific

It is obvious that collapse of Russian resistance would so strengthen the position of Germany in Europe and Japan in the Pacific that Britain and the United States would be placed in such a difficult position that they would have to concentrate their efforts to defend England, placing their hopes on a long war, it is believed here.

Successful Soviet resistance, however, is changing the situation in the Pacific. With Germany bogged down many quarters believe that this is a golden opportunity for Britain and the United States to turn their attention to the Far East and "liquidate once for all the source of menace in the Pacific."

There are many indications that Britain and America are forcing a showdown with Japan in the Pacific. Freezing of Japanese assets, abrogation of commercial agreements with Japan, further American restrictions on oil exports to Japan, arrival of large forces of British troops and aircraft in Malaya and Burma, strengthening of American defences in the Philippines—these are some of the recent developments indicating a new trend of British and American policy in the Far East.

Chinese quarters suggest that whether Japan moves northward or southward she would risk war with major powers whose final outcome would probably be determined within one year.—Reuter.

Axis Embassies

Chungking, July 30.

The offices and residences of German and Italian diplomats, Consular officials and businessmen have been sealed by the Chinese Foreign Office following their complete withdrawal from Chungking. The final batch left here by air on July 27 en route to the Indo-China border.—Reuter

China True Ally of Great Britain

London, Aug. 1.

By keeping Japan bogged, China defends the Pacific for America prevents Japan from going southward in a major war, and fights the eastern end of the Axis, said Mr. H. D. Liem, London correspondent of the Central News Agency of China, lecturing at the China Institute.

Thus China is in the true sense an ally of Great Britain and a pillar in the "A.B.C." and U.S.S.R. quadrilateral, he declared.

The conquest of Indo-China, Mr. Liem added, was a prelude to a climax in the Pacific, and the next move by Japan would be decisive. She had been a dilemma ever since Germany declared war on Russia without consulting Japan. It meant the bankruptcy of Matsuoka's policy. He had been sacrificed and here was a new Cabinet, but this meant a reorientation of tactics, not of policy, which remained the same.

The correspondent thought that Japan would not stand to gain any substantial advantages, whatever the outcome of the war, while the defeat of the Axis would spell Japan's destruction.

Sir Malcolm Robertson, a Member of Parliament and at one time in the Diplomatic Service in China, presided over the large, appreciative audience.—Reuter.

British and Chinese Relations Very Close

Chungking, Aug. 1.

The question as to how close is the present collaboration between Britain and China has been the subject of much speculation.

While Chinese and British official quarters persistently decline to comment on the subject there are many indications that though there is no treaty, alliance or agreement signed between the two countries, there is little doubt that a close understanding and collaboration exists.

Presiding at a dinner of the Sino-British Cultural Association on Wednesday, the British Ambassador, Sir Archibald Clark Kerr, declared: "Relations between Britain and China today are very close—in fact, much closer than the public generally knows."

At the same time it is public knowledge that Chinese and British military authorities are maintaining the closest contact with each other concerning Far Eastern developments.

This has been indicated by the tour of a Chinese military mission to India, Singapore and Burma and the visit of several Burmese missions to Chungking. In fact, there is a Burmese mission in Chungking at the present time, studying Chungking's air defence organization.

Nevertheless there are also indications that no treaty, alliance or agreement will be signed between Britain and China concerning joint defence measures in the southern Pacific in the event of an invasion of Thailand, Burma or Malaya.

In a speech before the Sino-British Cultural Association on Wednesday the Chinese Foreign Minister, Dr. Quo Tai-chi, declared: "Ties today between Britain and China are much closer than any treaty, alliance or agreement which, after all, can be torn up."—Reuter.

Proof of Sincerity Of Britain, U.S.

Chungking, July 29.

The action by Great Britain and the United States in freezing Japanese assets and, at the request of the Chinese Government, Chinese assets as well, is further proof of the sincerity of the democratic powers in their aid to China, a high official of the Finance Ministry stated here today.

He stressed the difference between the action against Japan and China, and emphasized that it would contribute to the strengthening of China's exchange control and allow her to develop her foreign trade.

He said that British and American banks, while freezing Chinese credits abroad and preventing the flight of Japanese capital in the guise of Chinese credits, will continue to furnish foreign currency to China for her legitimate needs.—Havas Telemondial.

Chinese Spokesman on Japanese Withdrawals

Chungking, Aug. 1.

Japan originally planned to withdraw 400,000 troops from China for operations in the South Seas and in Manchuria. Japan is probably withdrawing 100,000 at present and there are signs of with drawals from central China although definite figures cannot be obtained at present, a Chinese spokesman said yesterday afternoon.

Withdrawals from north China have already begun, he claimed. The spokesman said these withdrawals, combined with the Japanese occupation of Indo-China, had resulted in little activity on the Sino-Japanese fronts, apart from aerial bombings of Chungking.—Reuter.

Chungking Attracts Idle Money

Shanghai, Aug. 4.

By encouraging people to deposit their money with government banks, the Chinese government at Chungking has successfully absorbed idle money amounting to more than $300,000,000 for carrying out the various plans of national reconstruction. This is revealed in the annual report made by the Shanghai Commercial and Savings Bank for 1940. The report says that in general the economic situation in this country during the period under review may be said to be normal, but it is admitted that the hostilities have caused enormous losses which in turn have rendered it impossible to improve production in relation to consumption.

Excepting the financial crisis in May the domestic financial situation is said to have been firm throughout the year. The government has enforced a set of regulations governing the managment of banks and prices of government bonds have gone up almost to the pre-war level. There have been many foreign bond transactions during the period, indicating that the "speculation fever" has been very high. There has been an enormous increase of deposits in various banks which found it difficult to use the idle money in a right way. They had to reduce interest on such deposits.

Four Policies

The Government has carried out four important financial policies: The four Government banks have lent out $209,000,000, to farmers, thus helping to develop rural economy to a great extent. It is pointed out that in 1940 the imports were worth much more than exports of the country and that the formation of the China Stabilization Committee has saved the situation. The Committee is said to have helped China to balance her international trade by making readjustments in the foreign exchange market. New subsidiary coins were minted by the Government during the year but regret is expressed that circulation of such subsidiary money is limited to the interior of free China. The thrift movement and other methods used by the Government to encourage people to save money have enabled the banks to absorb $300,000,000 from the populace.

In view of lack of efforts to make production fit in with consumption there had been an abnormal development of domestic trade during the year under review, it is pointed out. In Shanghai all business houses made profits during the year excepting those which were forced to close during the May financial crisis. They closed business as victims of speculation but new commercial houses sprang up and their number is much greater than that of the closed shops. It is said, however, that the newly opened institutions do not have ample means at their disposal. Reference to the high prices is made in the report, according to which the price of cement instead of that of rice tops the list.

Shakeup Urged in Chungking Finance

Shanghai, Aug. 5.

A drastic shakeup in the personnel of Chungking's Finance and War Ministries was expected to be suggested to Gen. Chiang Kai-shek in the near future by Mr. Owen Lattimore, American adviser to the Chungking Government, information reaching Shanghai said, states Domei.

It was revealed that Mr. Lattimore recently had been holding a series of conferences with Mr. Clarence Gauss, United States Ambassador, regarding political and economic reconstruction in Chungking.

Mr. Lattimore's suggestions were designed to enable Gen. Chiang Kai-shek to utilize America's aid-to-Chungking policy to the fullest extent, it was understood.

Mr. T. V. Soong, head of Chungking's economic mission to the United States, it is said, will replace Dr. H. H. Kung as Finance Minister, while a drastic shakeup in the War Ministry personnel was expected following the conference of high military officials stationed in southwestern Chungking controlled regions, which meeting had been going on since August 1 in Kweiyang, Kweichow Province.

Chungking Gratified at Counter-Action

Chungking, July 28.

Gratification at the prompt, energetic measures taken by the British Government with the support of other members of the British Commonwealth, also the Government of India, to counter the fresh Japanese move in Indo-China was expressed today by the spokesman of the Chinese Government.

The Empire's action, which followed closely the United States Government's similar step, he said, not only dealt a most serious blow to Japan's weakened financial and economic structure, but also demonstrated the ever-increasing solidarity among the democratic powers.

The spokesman concluded: "China welcomes this strengthening of the anti-aggression front in the Pacific area as elsewhere."—Reuter.

Chungking, Yunnan Collaboration Urged

Nanking, July 27.

It has been reliably learned that Chungking officials have presented a plan to General Lung Yun, Governor of Yunnan, which in effect proposed to make Yunnan a more integral part of Chungking defence.

The plan proposed the participation of Central Army leaders in Yunnan War Councils and closer collaboration of Yunnan Army leaders with the Central Army in return for Chungking aid in building up Yunnan fortifications.

The proposals, it was said, planned further to facilitate a British-American-Chungking alliance, which it was reported had been concluded recently.

Discussions on the subject are being carried on with General Lung Yun by Mr. Na Yao-tsu, Director of the Main Office in Chungking.

Concrete terms advanced were said to be, first, incorporation of the Yunnan Army into the Chungking Szechwan and Kweichow training areas; secondly, a Yunnan native conscript army to lend labour toward any project necessary to further joint British-American-Chinese military action; thirdly, strengthening of the Yunnan Army War Council by including important members of the Central Army; and fourthly, Chungking to aid construction of fortifications and other defence preparations in Yunnan Province.—Domei.

Eggleston Ready to Sail for China

Sydney, July 29.

Sir Frederick Eggleston, recently appointed first Australian Minister to China, is expected to sail shortly for Chungking, accompanied by his staff, who include an Australian-born Chinese, Mr. Charles Lee.

An expert on Pacific affairs, Sir Frederick Eggleston has had a distinguished career. He served during the last war and was on the staff of the Australian delegation to the Peace Conference. After the war he was elected to the Victorian Legislative Assembly, where he held Ministerial portfolios, including that of Attorney-General. Since 1933, he has been chairman of the Commonwealth Grants Commission.

Sir Frederick Eggleston is probably best known for his many writings on financial and public administration questions and his close study of international affairs, particularly as they affect Australia and other Pacific countries. In 1927 he was chairman of the Australian delegation to the Institute of Pacific Relations Conference in Honolulu, and in 1929 was a representative to the Kyoto Conference, and in 1936 to the Yosemite Conference.

Mr. J. K. Waller will be senior member of the legation staff of Sir Frederick Eggleston, the Australian Minister to China, with the rank of second secretary.

Mr. Waller, was educated at Scotch College, Melbourne, and joined the Department of External Affairs in 1936, after graduating Master of Arts at Melbourne University.

Mr. Charles Lee will be Oriental secretary with the rank of third secretary. He is a graduate of the University of Queensland.

Another appointment is that of Mr. J. P. Quinn of the Department of External Affairs, who will have the status of third secretary also. He is a graduate of Sydney University and has visited Europe on a French travelling scholarship.—Reuter.

China Gets Medical Supplies From Rangoon

Chungking, Aug. 2.

A Seventh Day Adventist Mission caravan of nine trucks has arrived here from Rangoon over the Burma Road. Members of the party said the road is in good condition despite rains. They brought medical supplies for missions in "free China."

They were delayed at Lashio by heavy rain but Mr. Z. H. Coberly, leader, said that otherwise the whole trip from Rangoon could be made in three weeks. Two days before they arrived the Seventh Day Adventist Mission Sanatorium here was destroyed by air bombs.—Reuter.

Chinese Diplomats Arrive in New York

New York, Aug. 2.

Sixty-four Chinese diplomats and members of their families, who were recalled from Germany, Italy and Nazi occupied countries, arrived here yesterday on the American transport West Point. All the diplomats are en route to Chungking.—United Press.

Chinese Counsellor to Australia Appointed

Chungking, Aug. 3.

Dr. Tuan Mou-lan, until now Chief of the American Department of the Foreign Ministry, has been appointed Counsellor to the first Chinese Legation in Australia.

Mr. Cheng Kang-chi, chief of the Press and Intelligence Department of the Waichiaopu and member of the Chinese mission which visited Malaya, India and Burma, will become Second Secretary to the Chinese Legation in Canberra.—Havas.

Chungking Pleased By Oil Embargo

Chungking, Aug. 3.

The ban by President Roosevelt on the export of motor oil and fuel to Japan was received with considerable gratification in all Chinese circles here. All Chinese newspaper this morning gave prominence to the announcement together with the news of American freezing of silk supplies in the United States.

A brief cable received early yesterday morning gave rise to the mistaken impression that the United States had announced a complete oil embargo against Japan, which Chinese circles have been strongly advocating. Later a careful study of the details of the order, however, indicated that the scope of new motor oil and fuel ban falls far short of Chinese expectations. Nevertheless, Chinese circles indicate their satisfaction with the new United States' measure, not so much because of the economic as of the political significance of the move.

U.S., Britain Mean Business

Following the American freezing of Japanese assets it was feared in some circles that the United States might go slow for the time being, awaiting the next move on the part of Japan. Japan's eagerness to settle the Tutuila bombing incident led to the belief that Japan was now doing her utmost to appease the United States in order to avoid a head-on collision, since Japan must be this time fully realise that Britain and the United States mean business. Also there was no doubt of concerted parallel action on the part of the United States, Britain and the Dutch East Indies in the Pacific if Japan made another false move.

Once Japan was lying low it was thought that the United States might also renew appeasement.

President Roosevelt's announcement of a ban on motor oil and fuel, however, dispelled all such fears as the measure indicated clearly that the United States is definitely and steadily moving forward towards checking Japanese aggression in the Pacific, it is stated.—Reuter.

China Envoy Leaves Soon For Australia

Chungking, Aug. 3.

Mr. Hsu Mo, the new Chinese Minister to Australia, is scheduled to leave Chungking on August 10 by air for Hongkong, accompanied by his staff. Mr. Hsu is expected to join his family in Hongkong, whence the party will proceed by steamer to Australia.

Despite the announcement of the imminent arrival of the new Australian Minister to China, Sir J. G. Eggleston, Reuter learns that the British Embassy here has cabled the new envoy, suggesting postponement of his arrival in Chungking until September, on account of the summer heat and the bombings of Chungking.—Reuter.

Unity of Outlook Between India and China

London, Aug. 4.

Unity of outlook between India and China was emphasized in a resolution passed by the Indian Nationalist Committee in London, offering felicitations to the new Chinese Ambassador, Dr. Wellington Koo.

The resolution stated the need for strengthening Indo-Chinese unity at the present moment when the menace of Japanese aggression was clouding the political horizon, and expressed hope that the growing strength of the two countries would help in creating a strong eastern sector of world unity to thward Japanese ambitions in the East and Nazi ambitions in the West.—Reuter.

U.S. Aid to Chungking

New York, Aug. 2.

The United States has promised representatives of the Chiang Kai-shek régime here that it will send 35 military transport planes to Chungking as soon as possible for the purpose of carrying cargo over stretches of the Burma Road, the "New York Herald Tribune's" Washington correspondent reported today on good authority.

The paper understood that the chief of operations of the Chungking air force, Major-General T. H. Shen, who is now in Washington, and Dr. T. V. Soong, head of General Chiang Kai-shek's economic mission to the United States, received the promise after negotiating with the United States government.

Estimating that 35 transport planes can do the work of 800 trucks, the "Herald Tribune's" report said that since President Roosevelt has refused further requisitioning of aircraft from American commercial lines, it is likely that the transport planes will come from the United States Army Air Corp's production orders.

Meanwhile, it was reported that a group of 225 American pilots have just arrived in Chungking for service with General Chiang Kai-shek's air force. Many of the American pilots are reported to be recent graduates of Army Air Corps training schools.—Domei.

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WHAT OF JAPAN?

July 30.

Information concerning the completeness of the German domination of Italy shows that Hitler has to all intents and purposes reduced that nation to an occupied country without the expense of bloodshed. The Gestapo has clamped its evil hands down on the whole of Italian life, and Fascists themselves are being deprived of whatever freedom their own system left them. Neutral observers, who have recently been in Italy, allege that the Gestapo is now running the country having stepped in when there was a danger of a collapse of the Government in Rome following the reverses inflicted upon the Italian armies in Africa. In some of the ministries between ten and twenty per cent. of the personnel are Germans, German coordinating commissions are installed in practically every branch of industry reducing all Italian activities into subordination to German purposes. Striking as was the honeycombing of Holland by the Nazis their work in Italy far surpasses what was done there.

How complete this domination is may be seen from the fact that German officials are to be found in the central police stations, on the railways, in the custom's houses and indeed in every key position throughout the country. All Italy has been declared a war zone, and German troops are guarding every air base and all important communications. Such is the resentment at this penetration of Italy that the Germans are unable to trust the Italians, whether it is the regular army, the Blackshirts or the Carabinieri. And as a crowning insult German censors deal with all Italian mail entering or leaving the country. All this only serves to show how greatly Mussolini has fallen from his fancied position as an equal partner in the Axis,—that was a rôle Hitler never contemplated for him,—to merely another Quisling forced to execute the orders of his Teutonic master. The fact has to be faced by all Italians, and it is greatly resented by many, even among the most enthusiastic Fascists, that Italy has become an occupied country just as much as Holland, Belgium or Denmark.

In the light of all this, what about Japan? Ever since the commencement of the war there has been a steady penetration of Germans into every phase of Japanese activity. Germans of non-Nazi leanings have been ousted from their jobs. Nazi experts abound throughout the country as Dr. Spinks recently revealed in a most striking article. Nazi influence has resulted in the "Japan Times and Advertiser" now refusing to publish British communiqués on the subject of the war. True, with a pretence at fairness, it also refuses to publish similar German communications, but the Nazis have secured such control in the matter of the Press that the Japanese are completely denied all opportunity of obtaining an accurate account of how the war is progressing. There are Germans already in some of the ministries, and it may be expected that, as Germans are obliged to leave the countries in which they formerly carried on their subversive activities, the number of "experts" and the like in Japan will be considerably swelled.

To coin a new phrase Japan is being as neatly "fifth-columned" as any other nation in which the Nazis have succeeded in carrying out their designs. It is idle to depend upon the fact that Japan, unlike Italy, is not contiguous with Germany, and, therefore, safely out of her sphere of influence. What has been happening in the United States and the Latin American nations is sufficient proof that distance can give the Japanese no safety from Nazi intrigues, and there cannot be the slightest doubt that if Germany by some freak of chance should win this war Japan's position would be exactly similar to that of Italy's. The sooner the Japanese realize that Hitler's mad ambition is for world domination, without any partners, the better for them. They may be made to serve his purpose for the time being, just as Mussolini was, but in the "new order" which Hitler contemplates there is no room for competitors, such as Japan freed from Nazi domination would be. Hence German activities in Japan which the Japanese in their own interests should terminate.

HITLER'S LATEST GAME

July 30.

Combined with the German invasion of Russia there was timed an imposing political offensive and also some very nebulous peace talk in the United States. Hitler has been playing on every available square on the board, and, though he has not succeeded in achieving his purpose up to the present, it would be rash indeed to say that he will completely fail. The attack on Russia designed to force Japan, Spain and Turkey into war against the British Empire, the revival of the Communist bogey with which to scare Japan and Spain, and the expected demonstration in the case of Turkey of German invincibility have up to the present produced no results, while the reports that Germany had communicated peace terms to certain quarters in the United States with instructions to prepare public opinion to accept them were greeted with the derision the scheme deserved. The whole combined movements may justly be taken as some indication that Hitler's position is becoming desperate and the more he endeavours to turn the European struggle into a world war the surer the measure of his own uncertainty as to the future.

The recognition of the Nanking régime by the Axis and the states they control may be taken as part of Hitler's lately discovered crusade against Communism, with which he had maintained a precarious friendship since August, 1939, but it is of importance in another direction. Both Germany and Italy have sought since the commencement of the "China Incident" to run with the Chungking hare and hunt with the Japanese hounds. To some extent they succeeded, but events in Europe finally forced them to abandon their double game, sacrificing whatever interests they sought to maintain in China in an endeavour to obtain Japanese assistance which has not been forthcoming up to the present. The signs are that Japan is more interested in prosecuting her own schemes than giving that help to the Axis which Hitler so obviously desires. It is more than likely that Japan's geographical position relative to the Maritime Provinces acted as the dominating factor in Japan's decision to drive southward rather than give that aid to Germany which an attack on Siberia might have afforded.

It is doubtful whether such a venture would have given Hitler the relief he would like on the Russian front. It has always been the plan of the Soviet Government to maintain its Siberian Army as distinct from its European, and there is at present no evidence whatever to suggest that the development of the Russo-German campaign has necessitated drawing upon the Siberian army for reinforcements. The best assurance that the Russo-Japanese non-aggression pact will continue to be observed is the preservation intact of the Russian forces in the east. The extent of the failure of Hitler's three pronged move may best be judged from the facts that he has not yet succeeded in persuading Spain to enter the war on his side, that he has not yet succeeded in convincing Turkey of the invincibility of his armies,—that is being proved to be the myth it was always contended it was, by the intrepidity of the Russian soldier and the skill of the Russian command,—while Japan prefers to go about her own business rather than get mixed up in Hitler's war.

It is not to be expected for one moment that Hitler will relax his endeavours to extend the scope of the struggle be so malevolently forced upon the world. The more victory recedes from him,—and the very fact that he is denied success, which is the very breath of his venture, indicates that it is already vanishing from his sight,—the more frantic will be his efforts to get every possible nation into the fight. He promised in the early days of the war, that if he could not win he would take Europe down with him to destruction. That he is attempting to do now in a realization of the inevitability of defeat. His latest manœuvres, military as well as political, have succeeded in ranging half the world against him. It is the more powerful half, and, though some time may elapse before that power is fully mobilized, it is already of imposing strength, and capable of a growth which is wholly denied the Axis and its friends.

A NEW ANNOYANCE

July 31.

The behaviour of the Hongkong Government with regard to women resident in the Colony, and now those who wish to pass through is becoming "curiouser and curiouser." The letter from Mr. W. S. Kirby published on Tuesday indicates that the colonial authorities still consider the place safe enough for the wives of some twenty-two government officials and 1,000 other British women and children. Within the last few days it has been announced that women and children will no longer be permitted to land in Hongkong even in transit. Formerly they were allowed to stay in the port a maximum of seven days while awaiting their outgoing ship. This has now been prohibited, and unless immediate transhipment can be effected, women and children passengers are obliged to go on to Macao there to wait for their outgoing ship, upon the arrival of which in the Colony the passengers safely tucked away in the Portuguese possession are allowed to travel back to Hongkong to join it.

Surely the argument must be that if Hongkong is safe enough for over one thousand British women and children to continue residence there, it is safe enough for passengers in transit to wait for as long as a week and even longer if necessary. It is already reported that this latest ruling has seriously inconvenienced women passengers from Shanghai desiring to proceed to Australia. Ships are becoming few and far between in these days. The possibility of making a ship to ship change over in Hongkong is much less now than before, and by this utterly irrational ruling of the Hongkong authorities British women and children, obeying the suggestion of their authorities in China to leave wherever possible, are being impeded in a manner which is completely without justification. Surely the duty of the Hongkong Government is to do everything in its power to assist Britons from China and elsewhere who are loyally following the advice of their officials. That it is not doing and there cannot be anything but criticism for its attitude.

The evacuation muddle in Hongkong was in itself a scandalous example of inefficiency on the one hand, and, it is alleged, discrimination on the other, and it is not astonishing that there should be so much indignation in the Colony over the manner in which so many were permitted to escape the evacuation order. This latest order of the Hongkong authorities will certainly not serve to allay that indignation, but only to extend it to other Britons in the Far East who are being incommoded by what appears to be a most fatuous ruling. Obviously it does nothing to enhance the safety of the Colony and its inhabitants. Passengers in transit are in no greater danger than people actually residing, and it cannot for one moment be believed that their temporary stopping over in the Colony can in any way inconvenience the officials who seem to have devised as cumbersome a method of dealing with a very simple matter as can possibly be conceived. In times such as these the simplest methods are always the best, and enforced trips to Macao, of course, at the passenger's expense do not commend themselves as the best substitute for awaiting outgoing ships in Hongkong.

It is not to be expected that the foregoing criticism will have much effect upon the official mind in Hongkong. The last thing that can be expected of it is that it should change its decision and revert to the old practice which after all worked smoothly and inflicted no hardship on anyone. But it is suggested that Hongkong officialdom which has been making quite a number of mistakes recently should approach the various problems which present themselves—and it is not admitted for one moment that women transit passengers are anything in the nature of a problem,—with a real desire to make everything as simple as possible, especially for people following the advice of their officials here. If there is no coordination between the consular service in China and the colonial administration common sense requires that there should be an adjustment. There is, however, just the possibility that common sense is far too vulgar a commodity for the Hongkong official mind.

THE FOREIGN Y. M. C. A.

July 31.

The publication of the protest concerning the rates charged by the Foreign Y.M.C.A. to residents in the building opposite the Race Course, and Dr. McCracken's letter complaining of the action of this journal in publishing it again draws attention to the affairs of that institution. Lest it be claimed that the Foreign Y. is in the nature of a private club and that its domestic questions are no matter for public discussion, it should be pointed out that, in addition to the gifts made by Mr. Crane, former U.S. Minister to China, Capt. Robert Dollar and the International Committee in New York, the Shanghai public did its bit by subscribing no less than Tls. 200,000. The public of Shanghai is consequently very interested to knowing how an institution made possible by its donations is being managed, and though the board of trustees of the Foreign Y.M.C.A. appear to think that the concern they control is a private one, there are many, including this journal who hold an entirely opposite view.

It is a fact that there is dissatisfaction amongst residents at the Foreign Y.M.C.A. at the increases which have already occurred and the one which was announced in June last. The charges made in the protest are such that they should be investigated, for if it is true as the compilers of that document aver that "food and room rent charges" are "obviously built up to cover the non-profit producing activities of the Y." then the considerations which led the public of Shanghai to subscribe so handsomely sixteen years ago no longer prevail and the intention of the donors to provide a place where men could live reasonably cheaply has been frustrated. The protestants complain that they are facing increases "out of all proportion to the increases being levied by the better class boarding houses." That is either a statement of fact, or it is not, and the people who assisted in making the Foreign Y.M.C.A. possible will naturally want to know the truth of the matter.

A correspondent to this journal suggests that in the case of another protest as far back as 1939 it was proposed to establish a Residents' Representative Committee as a liaison body between the Trustees and the residents. The story of how that matter was dealt with is not very comfortable reading for it indicates lack of willingness to listen to the grievances of the members, and a degree of autocracy which will surely not commend itself to the average person in this day and age. It is not suggested that the interests of the residents are wholly neglected, but it is claimed that they are not listened to as they have every right they should be. This is by no means the first dispute which has arisen during the sixteen years of the existence in Shanghai of the Foreign Y.M.C.A., and sight must not be lost of the fact that there is probably something to be said for the Trustees in this matter. It is not to be assumed that the protestants' case is wholly good, but the Trustees, by their custom of maintaining the closest reticence, allow of the fostering of misunderstandings which it should be their bounden duty to remove.

It is perhaps unfortunate that the compilers of the protest thought fit to end up with a minatory paragraph threatening to appeal to the Y.M.C.A. headquarters in New York. Their request for a sub-committee of investigation seems reasonable enough, and the Trustees should welcome the opportunity of putting their case before the representatives of the residents rather than maintain a dogged silence which can do nothing but breed suspicion all round. The impression gained during the history of the institution is that there has been too much of the "take it or leave it" attitude on the part of those responsible for the management of the Foreign Y. That impression should be removed, and that can best be done by the Trustees listening to the representatives of the residents who consider they have grievances. After all the raison d'être of the institution is to render service to its members at the most reasonable rates possible and if that is not being done, as the protestants allege, then the Y.M.C.A. is not fulfilling its mission.

THE VELVET GLOVE

Aug. 1.

While there is still some confusion regarding the extent to which the economic sanctions directed against Japan by Great Britain, the United States and the Netherlands East Indies will be applied, information now to hand suggests that those three countries are proceeding with a caution which in the circumstances is justified. But it would be the height of foolishness for anyone in Japan to believe that stricter sanctions will not be rigidly applied should the actions of the Japanese Government demand such a corrective. The present desire of the three countries which have taken action against Japan is not to do anything which would make the Japanese Government more desperate than it is at present, and even at this late hour there is every opportunity for Tokyo to reconsider its policy of expansion which can only lead to a collision, drop its adherence to the Axis from which it can expect no profit and seek to reorient its aims toward a better understanding with the world's two greatest sea powers which is more in keeping with Japan's maritime and naval position.

Mr. Roosevelt is proceeding cautiously. In that he is being supported by Great Britain and the Netherlands East Indies. There is no desire to push Japan over the precipice towards which she is being urged by the irrational ambitions of the Japanese military extremists. But this must not be taken as a sign of weakness. There is no parallel between the abortive application of sanctions against Italy over Abyssinia and what the three democracies are capable of doing in the Far East. Sanctions against Italy failed because of conflicting interests. There is here no such conflict. Rather is there a determination to take common action in defence of common interests and there is not one factor in the present situation which is at all comparable with the case of those unfortunate sanctions against Italy.

What is apparently contemplated by the three democracies is the increasing application of sanctions as the actions of Japan call for such a process. That this may lead to war is fully recognized in London, Washington and Batavia. That is a contingency which is being faced fairly and squarely in the three capitals mentioned. It will not deter the governments concerned from proceeding to the last hour of act. The intention behind the present procedure is to give the Japanese Government the fullest possible opportunity to consider the consequences of any further aggression in the Far East, and to give it every chance to mend its ways. But, if it will not, if it insists upon pursuing its present rash courses, it and it alone will be responsible for whatever results. It is reported that Japan is shortly to commence applying pressure to Thailand to adhere to the co-prosperity sphere which Japan seeks to create. Aggression against the country in order to coerce it will call for further action by the democracies.

That would mean a step nearer war, for, if Thailand decided to maintain her integrity and neutrality if necessary by the force of arms, there can be no doubt that assistance would be afforded her, and that not only by an increased pressure through the extension of sanctions. The extremists in Japan must not believe that because the velvet glove of the democracies is at present so apparent that it does not cover a mailed fist. It does, and a very powerful fist at that, and it is to be hoped that it will never be called into use. But there are limits beyond which Japan cannot go without invoking resistance, and stern resistance at that with every prospect of its being successful. There are people in Japan who fully realize that. Unfortunately they are not in power at present, and have the job of watching their country being hustled to perdition by a clique which knows little of the world outside its own country, and has a completely overweening and incorrect idea of its strength as composed with that which she may have to meet.

GERMAN ADMISSIONS

Aug. 1.

The Germans are so busy giving explanations as to why their *Blitzkrieg* against the Russians has not proceeded according to timetable that it is obvious there must be more than a little confirmation of the Soviet claims that the German offensive has been

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held and that the Russians have been able to counter-attack. Even the Germans admit this, for in their local propaganda organ of yesterday's issue a story was carried with the caption:—"Counter attacking Soviet Forces Suffer Heavy Losses." They claim that these counter-attacks were defeated, it is true, but the main fact is that the Russians are now able to assume some degree of initiative, which formerly was not theirs, and point to a certain amount of stability in the situation which was lacking before. The sheet in question also pretends to weep crocodile tears over the casualties, which the Germans claim they are obliged to inflict upon the Russians because of the tenacity of their resistance, in an article headed "Moscow Responsible For Senseless Butchery of Millions."

Alleging that the German-Soviet campaign had been shifted to a new platform with new consequences for war conduct, the Trans-Ocean message goes on to state that they are:—

1. German war tactics of driving wedges into and encompassing the enemy proved to be superior also in Soviet Russia. The Soviet command has cognizance of this strategy but could not live up to it. New, however, was that the enveloped Russian forces refused to admit defeat. Bolshevik commanders allowed thousands to perish rather than accepting the inevitable.

2. Bolshevism has killed the soul of men. In the Bolshevik state, the right to live and the right to personality do not exist. There is no religion and consequently no fear of what follows after death. Therefore, all that is a prerequisite for a mental collapse is unknown to the Bolshevik masses.

Brutalization of the individual has made such progress that preservation of the individual for the future of the state has become absolutely immaterial and that the death of millions consequently does not play a role for those in power in Soviet Russia.

3. The war in the east is developing into a butchery. In the west where the soul had played a role, King Leopold and his Belgian Army surrendered when the battle had become hopeless for them. In the east, new masses are being thrown into butchery and massacred by superior German arms, because the Bolsheviks decline to admit that the struggle for them is hopeless. They are like those people who, according to the standing rules of medicine ought to be dead for lack of caloric properties, but who continue to live.

So it is with the Russian armies which, according to the rules of strategy, ought to have ceased to exist and yet continue fighting until they die as their commissar has ordered, it is pointed out in Berlin.

With regard to paragraph two of the above quotation it is only necessary to insert the words "Naziism" and "Germany" for "Bolshevism" and "Soviet Russia" to obtain a statement which is terribly true of Germany, for though the Germans seek to convince the world that they are fighting the Russian campaign with a minimum of losses, the slowness of their progress, the bitterness with which every foot of the way is now being fought clearly indicate that the Germans are suffering at least as greatly as they claim the Russians to be doing.

But for sheer naivete surely the claim, that the Russian armies according to the rules of strategy ought to have ceased to exist, and yet continue fighting until they die, takes a lot of beating. In a war, which is not a purely military concept, such as the German staff college likes to play with in times of peace, but is in fact a racial struggle, the rules of strategy simply do not apply. Hitler has declared himself out to destroy the Soviet armies. The Soviet Government is equally determined that the Nazis and the menace they represent shall be utterly wiped out. The total war of the Germans is being applied to them by the Russians. It is very naughty of the latter to seek to defend themselves when attacked, and the German propaganda is shocked that they should make sacrifices in doing so, but the main and most important fact is that in making the rubbishy explanation quoted above the Germans are admitting what the Russians claim.

THE TUTUILA AFFAIR

Aug. 2.

It is unfortunate the U.S.S. Tutuila should have been bombed by Japanese aviators during a raid on Chungking, for, though the Japanese Government has made the usual apologies and offered to pay indemnity, the effect of the incident upon public opinion in the United States is something which may play an important part in deciding the future relationships between the two countries. Bad as those are at present they most certainly have not been improved by this latest incident, which is but another example of how irresponsible men can commit acts likely to embarrass their government. The American gunboat was situated in the so-called safety zone on the south side of the river, and, consequently, well away from Chungking itself. The Japanese have all along prided themselves on the accuracy of their bombing of military objectives, and it will not be surprising if the opinion is held in Washington that this attack on the Tutuila, while possibly not ordered by the Japanese authorities, was deliberate on the part of the men taking part in the air-raid.

The allegation is made that on Wednesday a flight of twenty-six Japanese aeroplanes dropped bombs over the so-called safety zone in Chungking damaging the Tutuila, the Standard-Vacuum installation and a building belonging to a member of the United States Embassy staff. It is fortunate that only superficial damage was done to the Tutuila, though an outboard motor boat was shattered by a bomb falling close to the vessel, for, if there had been any serious damage done to the gunboat, if, like the Panay, it had been sunk with loss of life, it is probable that in the present unhappy atmosphere which prevails it would have been impossible to settle the matter as it now appears to have been done. While members of the U.S. Congress were emphatic in their expressions of anger, the U.S. Government appears to have taken a calm view of the matter, and to have maintained the whole affair in its proper perspective, while insisting upon the vindication of the dignity of the country.

But the Japanese Government will delude itself if it thinks for one moment that the promptness with which it dealt with the matter will wipe out all memory of the incident. There have unhappily during the last four years been far too many such occurrences involving third party neutrals for the matter to be lightly passed over, and the readiness with which the United States has accepted Japanese apologies, and considered the matter closed is no guarantee that other incidents should they occur will be capable of being so quickly and comfortably disposed of. Nor should Tokyo consider that the attitude of the U.S. Government as indicative of any form of weakening on the main issues between the two countries. Rather should it be taken as a complete proof of the strength of the position of the United States. There is no desire on the part of any Government to hurry Japan into a position from which she would be unable to escape without going to war, and the United States in its strength is merely giving Tokyo an opportunity to reconsider its policies, which would not be possible if the Tutuila incident had been regarded in the light of other similar occurrences, and consequently looked upon as a cause for hostilities.

There will undoubtedly be some in Japan who will still hang on to the belief that they can do whatever they like and get away with it. What has happened during the past few days should warn them that that is no longer the case, that the sands of patience are fast running out. It will be no excuse, if there is a repetition of such events, that Tokyo is unable to exercise control over the units of the Japanese Army in China. That may indeed be a fact, but such a plea cannot be accepted from any Government even if it had the hardihood to put it forward. It is to be hoped, therefore, that the Japanese Government will take such steps as will prevent recurrence of such incidents, and that those steps will prove effective. The situation in the Pacific is already serious enough without individuals committing acts which may set the powder barrel alight, and that will inevitably happen if the Japanese continue to fail to recognize the rights of foregin nationals up the Yangtze.

BRITAIN AND FINLAND

Aug. 2.

Britain's reply to the Finnish aide memoire intimating the suspension of the Finnish Legation's activities in London, which was handed to M. Grippenberg on Thursday afternoon by Sir Alexander Cadogan, Permanent Under-Secretary for Foreign Affairs, creates an interesting situation. As late as July 22 it was decided to maintain such relations, notwithstanding the fact that Finland was at war with Russia which is an ally of Great Britain, and that German forces were cooperating with the Finnish army. Recently action became necessary against Finnish overseas trade as a result of the foregoing facts which created circumstances in which it was clearly impossible to allow goods to pass through the blockade to reach territory which must be considered as largely under German control, and where it would undoubtedly be of considerable value to the enemy. If Germany fancied that because of the British desire to remain in friendship with the Finns it would be prepared to relax the blockade it was sadly mistaken. There never has been any intention on the part of the British Government to allow the Germans access to the outside world through Finland.

The action taken was not levelled against Finland but against Germany and there is something in the argument that because of that fact normal diplomatic intercourse between the two countries is still not impossible. The next step must be Finland's. If the Finnish Legation is withdrawn from London Great Britain will have no choice but to withdraw from Helsinki. The breach of diplomatic relations, which would follow, would not necessarily mean that Britain would consider herself at war with the Finns. It is unfortunate that Finland either under German coercion, or animated with a perfectly understandable desire for revenge upon Soviet Russia, should find herself aligned with the enemy Great Britain has sworn to destroy. That is particularly true because of the great admiration which Britons have for the Finns and the enormous respect they have for them for the manner in which they defended their country last year.

It may very well be that the British and the Finns will never come into conflict, and that the present developments will only amount to a diplomatic gesture, and not the prelude of hostilities between the two countries. Nevertheless there is the fact to be faced that in order to make certain that Germany shall not benefit by its present arrangement with Finland such steps will have to be maintained which will ensure the effectiveness of the blockade within which Finland has been drawn by her union with Germany. If there is a danger that, by letting supplies through to the Finns, they in their turn, out of their own supplies, can serve the Germans, then it becomes apparent that Finland must be subjected to a total blockade, which in effect will amount to a hostile act against them. That is unfortunate but in the circumstances it cannot be helped. It is indeed a misfortune that two nations which ought to be able to continue in friendship should find themselves on different sides of the present struggle.

That is emphasized by the reluctance of the British Government to agree to the Finnish suggestion for what amounts to a breach of diplomatic relations. How far that was inspired by the Germans will probably not be known until after the war, though there is the grave danger that, now the Finns have permitted entry of German troops into their country, they are undergoing the infamous process of penetration by means of which Hitler has succeeded in subjugating so many other small countries. It may be that friendship between Great Britain and Finland, which the former is loath to see broken, will only be restored after the democracies have released the whole of Europe from the menace of Naziism. In any event there is and can be no hate between the two countries, but only a very real regret that even such a breach as that which Finland contemplates should ever have arisen.

THAT WAR AND THIS

Aug. 4.

It was on this day twenty-seven years ago that what was then the biggest war in history was commenced. It was a struggle for which Germany had been quietly preparing for years before. The day was *Der Tag* which was to bring the Germans out into the sunshine as the dominators of the world. There was every possibility that the crisis arising out of the throwing of a bomb at Sarajevo might never have led to war. That depended entirely upon the good faith displayed by Kaiser Wilhelm II and his ministers, but good faith was missing and war was the result. There are some writers who seek to picture the rulers and ministers of Europe in those days as the victims of a blind fate, of powers and influences over which they had no control, but such men are unavailing apologists for people who were out for war as the only means of satisfying their insatiable ambitions. There would have been no war then had all been loyal in their protestations of the desire for peace. There was no loyalty, and war followed.

Sir Ian Hamilton in an article on war writes:—

"To one who was in Hungary, Turkey and the Balkan States in 1908, and who, between that date and 1914 witnessed manœuvres in Austria, Germany, Russia and England, it seems certain that already in those days the young men felt war keeping step with them in their ranks. Then, suddenly, some barbarian threw a bomb. The governments who for years kept their taxpayers blind to their own errors by saying 'an enemy hath done this' completely lost their heads, and, before they knew where they were, the drums were beating and millions were on the march towards the zero hour.

That was written fifteen years ago. It is as true of the last war as it is of this. The manner in which the leaders of the democracies permitted the locusts to eat of the past few years, the way in which their peoples were lulled into a false sense of security by the refusal of their ministers to tell them the truth, the steady preparations made for Hitler for his final assault upon them in a war of revenge present strange parallels with what happened prior to the war of 1914.

There is yet one other resemblance between the two wars. Early in the century there were men who continually warned Great Britain of the peril ahead. Their words fell on deaf ears. For many years past Mr. Winston Churchill was but another prophet whose warnings were disregarded, and, within a generation, the world has seen the sickly spectacle of history repeating itself in a manner which could have been avoided. That could not have been done merely by sweet words at Geneva, or the fabrication of pacts designed to perpetuate peace, but by the girding of loins in preparation for war, which has been again proved to be the only real assurance of peace. And so, because a few men refused to speak out forthrighly, because the many refused to listen to those who did, Europe, and perhaps the whole world will be eventually,—is engaged in another life and death struggle in which the flower of youth in many lands is paying the price either of their leaders' stupidity, or overweening ambition. The plain fact is that mankind failed to learn the lesson of the years immediately preceding the last war and consequently could not apply them in the years preceding this.

That this is so naturally arouses anxiety as to what will happen when the Allies emerge victoriously from this as they will most surely do. Will they disregard all conclusions which are to be drawn from the history of the past eight years? God forbid. If they do it will be merely a question of time as to when the world will witness another and even worse conflict. If on the other hand they learn the significance of this twice taught bitter lesson there is still some hope for humanity and civilization. Experience, bought at what a price, definitely shows that the peace of the world cannot be ensured unless those countries most likely to threaten it are placed in such a position that they cannot do so without the certainty of speedy and utter defeat. The world must stand prepared at all times against possible aggression. There can be no disarmament until the causes for war have been removed, and, if they cannot be, the loins of the nations must be for ever girded. But it may be possible to remove the economic causes of war which are just as important as the schemings of wicked men.

A man's giving in alms one piece of silver in his lifetime is better for him than giving one hundred when about to die.—Mohammed.

A LOCAL MANIFESTO

Aug. 4.

Reference has been made in the correspondence columns of this journal to a manifesto issued by twenty-one White Russian organizations declaring strongly in favour of Germany in her onslaught upon Soviet Russia. A copy of that document was sent to this office. It was not published for obvious reasons. But it is possible to state that the people signing the manifesto are animated with deep resentment against the Soviet régime for reasons which are past history, and possibly a desire for revenge. That is clearly set forth, and is perfectly understandable, but it is not easy to understand how men who must be acquainted with Hitler's declarations in "Mein Kampf" can possibly see any benefit to their country in a German victory over the Soviet. In the fifth paragraph of the manifesto the writers say:—

We consider the present German-Soviet war as a way and means of freeing our country from Communist oppression. We believe firmly that this war will release the active forces of the Russian people and will lead to the creation of a National Government and the rebirth of Great Russia.

Let it be clearly understood, if the Germans secured that victory for which the signatories of the manifesto under notice apparently pray so eagerly, there would be no Great Russia, but rather indeed a very much smaller one. In the first place the Ukraine would pass into German hands. Hitler has said so, on page 182 of the English translation of the work:—

If one wanted land and soil in Europe, then by and large this could only be done at Russia's expense, and then the new Reich would again have to start marching along the road of the knights of the orders of former times to give with the help of the German sword the soil to the plough and the daily bread to the nation.....None of our pacifists refuses to eat the bread of the East, although the first plough was once called "sword!"

So much of what Hitler has written in his singularly informative book has for the time being come to pass. The present onslaught on Russia is for the purpose of seizing the Ukraine and thus the granary of Europe. If the White Russians, who have thus declared their colours, believe for one moment that Hitler would restore the Ukraine to them in the event of a German victory they are blind to all that has happened up to the present.

Then take Siberia. What do they think would happen there in the unlikely event of Hitler proving victorious? At least the three Maritime Provinces would pass into the hands of the Japanese who, very apparently, are waiting now the opportunity to grab them. What then would be left of Greater Russia? A large tract of comparatively undeveloped land with no access to the oceans of the world and its inhabitants, from an economic point of view, completely at the mercy of powerful neighbours. It is something in the nature of a tragedy that men, blinded by a desire for revenge upon the Soviet system,—a perfectly understandable desire,—and a strong wish to return to their homeland and reestablish a system of government more to their liking than that at present in Moscow, fail to realize that a German defeat of the Soviet does not mean the liberation of Russia, but rather its dismemberment, and millions of its people subjected to the brutal heels of alien conquerors.

Fortunately the manifesto represents only the opinion of a number of White Russians who are believed to be very much in the minority. There are those who are able to rise above partisanship, and hope that their native land will be able to throw out the invader, and that in due time domestic reforms will be brought about in Russia which will permit of their return to their homeland to participate in the fulfilment of its destinies. Such as they can only hope that the Soviet will be able to maintain the integrity of their country intact for posterity's sake. Their's is the higher spirit. They have a wider loyalty. It is possible to sympathize to some extent with the signers of the manifesto, for the motives which inspire them are after all only human, put they have failed to take the longer view which requires that the Soviet shall defeat a Power which contemplates nothing but the reduction of Great Russia to a smaller Russia and the grabbing of most of its riches.

APPEAL TO CONSCIENCE

Aug. 5.

Special efforts are being made by the committee of the British Voluntary War Contributions Fund to secure the necessary amount, roughly about £10,000, to ensure that on August 15 they will be able to send home sufficient money to bring the contribution of Britons in China for the supply of aeroplanes up to £200;000. That will mean the creation of a second China British Squadron. Mr. Churchill, in epigramatic phrase, has stated the enormous debt which the British Empire owes to those gallant young men of the R.A.F. who won the battle of Britain last year, making it possible in Britain's darkest hour to have confidence in the ultimate outcome of this titanic struggle. Not all British subjects are as eloquent as is the Prime Minister, but, if words fail them in expressing their gratitude to that splendid force of airmen, there is something else which talks, and that is money. It must be made to talk freely now.

The Prime Minister of Australia, Mr. R. G. Menzies, has declared that the prospect of a major German attack against Britain in 1941 has probably gone, and that "we are entering a phase in which we will begin to end the

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war." He added that "sacrifice and a great national effort are still needed." Those comforting words and the added warning should be remembered by all. The time has not yet come to sit back with folded hands in complacency over results achieved. Greater deeds than those which have already been done have got to be performed. The men, women and children of Great Britain have, perhaps, still to make greater sacrifices, far exceeding anything which Britons in China can expect to have to make. All that so many of the latter can do is to provide money. There are many who have followed the advice of H. M. Ambassador last year and have subjected themselves to a form of voluntary taxation. The result has been good but not good enough. There are still many who have not yet responded to that appeal in the way they should.

That is an issue which lies between themselves and their consciences, but surely there can really be few who can remain deaf to the appeals which are continually made to them, reinforced by the splendid record which men fighting in the air have established in the defence of their fellows. One has to think not only of the men, who, throughout the anxious weeks of the Battle of Britain, averted a shattering defeat, but also of those who day after day, night after night, have been destroying the enemy's invasion bases along the English Channel and the North Sea, and who have been carrying this war home to the Germans in a manner which they have never experienced before. These men freely give of their lives, or, what is perhaps worse, risk maiming for life generously, gallantly preparing to yield up their all in the defence of the Motherland and her Empire, in defence of that freedom which is democracy. And in the light of that fact is it possible that there are consciences so dulled as not to insist upon their owners going all out in monetary support of the cause?

If there are, and mere words can reach them, now is the time for amendment. Now is the opportunity to remedy the sins of omission during the past year, and, by coming forward now, ensure that Britain shall have her second squadron of fighters from the Britons of China against the great time which is coming when the tide of the struggle shall have turned, and the R.A.F. commence to lead the whole of the imperial strength to that victory without which all the money which may be withheld from their support will be as nothing. Money given now to the British Voluntary War Contributions Fund is in fact a good investment. It will return no interest, but the preservation of the Empire, the liberation of the overrun nations from bondage, the establishment of the rule of law again in the world, and the destruction of tyranny are surely adequate profit. What better return can there possibly be than the knowledge that posterity shall be freed from the recurrent menace of German ambitions? What could be richer than the knowledge that the children of this generation shall be enabled to live out their lives in the peace and security which has been denied their fathers and mothers and those preceding them? The answer is obvious. Have you satisfied your conscience that you are doing your utmost to pay the price for it? If you have not the opportunity is right here for you to do the proper thing, and send your contributions to support the R.A.F. in the noble work it is doing.

GERMANY STALLED

Aug. 5.

It is now virtually certain that the Nazi army has met with its first reverse in this war. The successful withdrawals of the British from Dunkirk, Narvik, and Crete might possibly be described as reverses for the Germans, but only in the negative sense that they were thwarted in their objective, which was to destroy their enemy. In Soviet Russia, however, the full force of the German army has been hurled against a nation which the Nazis believed to have been only partially prepared, and though some striking gains were won through the initial tactical surprise, the "invincible" army has been stalled, its time-table shattered, and its best troops either killed, wounded, or exhausted. Successive drives have petered out. At first, it was Leningrad which was to fall like a ripe apple. Little is being heard today of the offensive on this city. Then it was Moscow which was to fall, after the capture of Smolensk. Smolensk appears still to be in Russian hands, and counter-attacks have driven the Germans further back than they were two weeks ago. It is now an offensive against the southern Ukraine. On this front the Germans have hitherto made even less progress than they have done on the other fronts. The Russians have all along realised the vital character of the Ukraine and the Caucasian oil fields to their national existence, and long ago concentrated their most powerful forces in that region, under the command of Marshal Semyon Budenny. Where the Germans failed to break through in the central front, in spite of the treachery of their attack, they are unlikely to succeed in the south, where the Russians have long been ready for them. It may be claimed, therefore, without stretching the facts in any way, that the Nazi army has met its first real defeat.

The importance of this defeat lies not so much in the fact that the Germans have suffered heavy losses in men and equipment and that they have expended valuable and irreplaceable war material, but in the fact that the bubble of their "invincibility" has exploded. On the sea the Germans have been repeatedly beaten since the outbreak of the war. The Luftwaffe, which was to have done such great things, was decisively defeated in the Battle of Britain. The Germans expected little from their navy, however. From their air force they had been taught to expect much, and it was a severe blow to the man in the street in Berlin when the offensive against Britain failed—a failure which is being brought home by the deadly raids being made daily, with very little effective opposition, by the R.A.F. But to a land-minded people, these two defeats would not appear to be decisive. It would need a defeat of the army—the "glorious" army, Germany's greatest bulwark—to make the German citizen really worried. And that is what has happened now. The news, of course, has not been allowed to reach the German public in all its gravity. The promise of big successes to come is still being held out. Preparations are being made for new offensives which will turn the trick. The capture of Moscow, say German propagandists, has only been postponed; it has not been made impossible. Dr. Goebbels and his crew are assuring the German public that there is nothing to worry about. The Russian resistance has been unexpectedly tough, but not so tough, they say, as to do more than delay the advancing armies. But in spite of these assurances, the German public is worried. And that worry is likely to have as important an effect upon the national *moral* as a score of air raids would have.

Since 1933, when Hitler came into power, the German has not been allowed to think for himself. That great stimulator of thought, the question "Why?", has been systematically suppressed, because everything that happened in the Reich did so because it was the will of the Führer that it should. To ask why anything was done was to question the supreme wisdom of the Austrian paper-hanger who ruled, and was to court an invitation to a concentration camp. But with the lack of success of the German armies in Russia, with streams of wounded pouring back into the Reich in numbers which even the Nazi High Command cannot hope to conceal, with tragic notices of death reaching so many families, it is no longer possible to control the doubts which every German felt but could not express when the attack on Russia was launched before Britain had been reduced as the Führer had said she would be. There is nothing so destructive to national *moral* as doubt. The leader, especially if he is a dictator, must inspire confidence. To do so, he must be successful. If he is not, no amount of excusing is going to put him right in the eyes of his people. Thus a crack is caused in the home front which can only be mended by victories and more victories. And if these are not forthcoming, then the crack grows wider. This is what makes it so imperative for the Nazis to defeat the Russians quickly. As a military machine the Nazi army is doubtless strong enough in itself to meet with greater reverses than those it has already suffered without seriously being weakened. But if its defeat means a crumbling of the national confidence, the seriousness of it cannot be over-emphasized.

For what thief is willing to have another steal from him? For even he that is rich will not endure another stealing for want.—St. Augustine.

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Injuries do not extinguish courtesies: they only suffer them not to appear fair. For a man that doth me an injury after a courtesy, takes not away the courtesy, but defaces it: as he that writes other verses upon my verses, takes not away the first letters but hides them.—Ben Jonson.

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What more does thou want when thou hast done a man service? Art thou not content that thou hast done something conformable to thy nature, and does thou seek to be paid for it? Just as if the eye demanded a recompense for seeing, or the feet for walking.—Marcus Aurelius.

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There is a certain point of proficiency at which an acquisition begins to be of use, and unless we have the time and resolution necessary to reach that point, our labour is as completely thrown away as that of a mechanic who began to make an engine but never finished it.—Philip Gilbert Hamerton.

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It must be admitted that the Reformation entered England by a side door; but it is enough that it came in, whatever the manner; for great revolutions are not introduced by court intrigues and official cleverness, but by social conditions and popular instincts. When five millions of men are converted, it is because five millions of men wish to be converted.—Taine.

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Since we know not how to endure an injury, let us take care not to receive one; we should live with the quietest and easiest-tempered persons, not with anxious or sullen ones; for our own habits are copied from those with whom we associate, and just as some bodily diseases are communicated by touch, so also the mind transfers its vices to its neighbours.—Seneca.

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If it were possible that a people brought up under an intolerant and arbitrary system could subvert that system without acts of cruelty and folly, half the objections to despotic power would be removed. We should in that case be compelled to acknowledge that it at least produces no pernicious effects on the intellectual and moral character of a nation. We deplore the outrages which accompany revolutions. But the more violent the outrages, the more assured we feel that a revolution was necessary. —Thomas Babington Macaulay.

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And it is pity that commonly more care is had, yea and that amongst very wise men, to find out rather a cunning man for their horse, than a cunning man for their children. They say nay in word, but they do so in deed. For, to the one they will gladly give a stipend of 200 crowns by year, and loath to offer to the other 200 shillings. God, that sitteth in heaven, laugheth their choice to scorn, and rewardeth their liberality as it should: for he suffereth them to have tame and well-ordered horse, but wild and unfortunate children: and therefore in the end they find more pleasure in their horse than comfort in their children.—Roger Ascham.

AROUND THE WORLD

Raids On Germany

The promise made by the Prime Minister, Mr. Winston Churchill, that Germany would feel heavier and still heavier blows from the R.A.F. as Britain's supplies of bombers increase, is borne out by the list of raids made over German cities during the six weeks which ended on the night of July 26, compiled by the Air Reporter of the "Daily Express" and published in a special telegram elsewhere today. The importance of these raids is twofold. In the first place they inflict tremendous damage on the Nazi war machine and communications. They have forced the Nazis in many cases to adopt the same system of dispersal of factories that Mr. Churchill described in the House of Commons the other day when referring to alleged delays in British production. Only the dispersal which the Nazis have to undertake is much more difficult than anything which might be done in the small British Isles. The distances in Germany are much greater, and the differences between Germans in the eastern part of the country and those in the west are much more pronounced than between, say, the man from Bristol and the man from Canterbury. This latter is an important factor, since when factories are dispersed, a dispersal of workers necessarily follows. The further a worker is removed from the home in which he was brought up, the more does the hardship of separation from his family and the change of atmosphere affect him, with a result that his *moral* is weaker. In the second place these raids are bringing home to the German people in a way they have not experienced since the Napoleonic wars, the horrors of modern conflict. It will be recalled that during the sustained series of raids on London last September, Nazi airmen were encouraged to broadcast the pleasure they felt in bombing a block of flats. Many will remember the indecent gloating over the terrible destruction wrought in Coventry. In September last, and even at the time of the Coventry raid, the Germans had had little or no experience of being bombed themselves, and doubtless good Nazis could sit beside their radio sets and rub their hands with glee, as they heard of the ghastly destruction being inflicted upon the hated Englishman. They had been taught that such things could not happen in Germany. They are now learning differently. How many of them, as they cower in their air raid shelters, think back to those days when they could sit in comfort by the fireside and hear tales of the sufferings of the English? How many compare their feelings now, when bombs are bursting all around them, to the enjoyment they got before? The R.A.F. is bringing home to them the fact that war is not only a succession of celebrations of victories, but can be something too horrible for description. The careful direction by the R.A.F. of all bombs towards military objectives is in contrast to the Nazis' lack of discrimination. In Cologne, the industrial areas must by now resemble the centre of Coventry —where there are no industrial objectives—just after the Nazis had rained their missiles on that town. The German centralization of marshalling yards has given the R.A.F. an opportunity which they have not been slow to take to cripple Germany's internal communications. The German citizen's whole life is disrupted by these raids. Such a thing has never happened to him before. And ahead lies the bleak prospect of still worse things to come.

No Idle Threat

News of the heavy Royal Air Force raid on Berlin on Saturday is satisfying in many ways. First of all it provides clear proof that Mr. Winston Churchill's promise to give the Germans a taste of similar raids to those which were carried out by the Nazis over Britain, was no idle boast that could not be fulfilled. Secondly, it indicates that the bomber strengh of the Royal Air Force is bigger than ever before and that even heavier raids on Berlin and other vital German centres may be expected with the advent of longer hours of darkness over the European continent. In the third place Saturday's raid gives the German people plenty to think about. It was the second heaviest attack carried out against the German capital and to Berliners, doped with Goering's prewar boasting that not one enemy bomb would ever fall on Berlin, it must have come as a nasty shock to see and hear the ear-splitting detonations as some of Britain's super bombs (the Germans have nothing to compare with them) laid in waste vast and vital areas of the Nazi metropolis. It gave the German people more than enough proof that, as the war continues, it is Germany who is getting weaker and not Britain. A raid such as that on Saturday could not have been carried out in the early stages of the present war. It could not have been carried out last year—Britain's air force was still numerically inferior to the Luftwaffe. Today, however, there is a different story to tell. Britain, if she has not already gained her object of attaining air superiority, has at least gained equality in numbers and a definite superiority in men and machines. This is borne out by the fact that at the same time that Berlin was receiving a terrible drubbing from some of Britain's latest and heaviest bombers, Kiel and Hamburg, already badly battered by previous Royal Air Force raids, were experiencing attacks that were equally as heavy as the raid on Berlin. Thus Lt-Col. Moore Brabazon's words: "It may not be many months before raids like those on London will be a mere child's play compared to the raids we shall make on Berlin," which were spoken on July 10, are being carried out to the letter by a Royal Air Force that has become the most formidable attacking force the world has yet seen—a force that possesses the finest machines that Britain and the United States can turn out and a force that possesses the finest pilots in the world.

Cautious Optimism

With the Prime Minister's warning against pessimism or optimism in mind, there nevertheless seem to be good reasons to believe that the outlook for the Democracies at the present time is brighter than it has been since the collapse of France threw a pall of gloom over all fighters for freedom. Mr. Churchill emphasized that there was a long and bitter struggle ahead. It is as well to face the future with that prospect in mind. There are many factors which temper the feeling of optimism which has been justifiably inspired by the progress of recent events, such as the increased tension in the Far East, the Nazi infiltration into Iran, and the present state of indecision in the conflict in Soviet Russia. But at the same time there are certain signs which justify the restrained optimism expressed by the Vice-President of the United States. Mr. Henry A. Wallace, in his phrases "the light is coming sooner than we think. Helpless victims behind the wall of Hitler are beginning to see the light." Proof that this is true can be seen in the increasingly open resistance and hostility to the Nazis being displayed in Norway and in Holland. Similar hostility may also be being displayed in other occupied countries, but news of it has not leaked out to the same extent as it has from Norway and Holland. Traces of it can be witnessed in the steady spread of the "V" campaign—the true "V", not the spurious one of the Nazis—even in Vichy territory, where the sign of victory for freedom has actually be scrawled on the walls of Vichy government buildings, the mausolea of "liberty, equality, and fraternity." The German people, deluded by the claims of invincibility made by the Nazi leaders, are beginning to be uncertain, anxious. The campaign in Russia is not going as the High Command would have like it. There is every possibility that the end of the Russian campaign will be like the "successful" invasion of Britain which Hitler promised for August 15 last year—fading further and further into the future until it fades out of sight altogether. When the Germans launched their treacherous attack on Russia, they expected the Soviets to crack from within. Instead, the Nazi attack has done more than anything else during the last twenty years to unify Russians the world over. There is no sign of cracking. The anti-Bolshevik "crusade" so confidently proclaimed by Dr. Joseph Goebbels has turned out to be a gigantic "flop." The world has had to swallow such a large dose of Hitler's medicine that it refuses to believe what the Nazis are trying to tell them—that there is something worse than even Nazism. Wishful thinking is, of course, dangerous; but this fact should never be used as an argument against thinking at all. An impartial review of developments as they appear at present supports that confidence which has all along inspired the lovers of the free way of life, and fortified their belief that eventual victory is certain. It is this confidence that has enabled the free world to bear the horrors and the sacrifices the war has already forced upon them, and will carry it through the horrors which may lie ahead.

More German Admissions

A special "Nichi Nichi" despatch from Sofia reports that German military experts are now of the opinion that operations against the Soviet will require three months instead of the anticipated two, the Ukraine harvest must be abandoned until next year, the Soviet resistance has forced Germany to add 50 divisions to the 400 with which she originally entered upon the invasion, and that although the Luftwaffe has scored overwhelming victories a considerable Soviet air force remains. These opinions fit in very snugly with all the reports which have been coming forward recently. A short while ago it was claimed by a Russian spokesman that the German schedule had been slowed down by 50 per cent. That the German experts now admit. It was stated quite early after the commencement of the invasion that Germany could expect no benefit from this year's harvest in the Ukraine. They could not move fast enough to seize it and the Russians with their scorched earth policy are making sure that Germany will have to wait a year before receiving Ukraine supplies, if she ever does. The fact that Germany has had to raise her invading armies 400 divisions to 450 clearly indicates that the wastage of German strength has been considerable, while the admission that the Soviet still has a considerable air force contrasts strangely with German boasts not so long ago that the Russian air force had been practically wrecked.

Nothing can shock a brave man but dullness. —Thoreau.

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The holder of a monopoly is a sinner and an offender.—Mohammed.

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He often acts unjustly who does not do a certain thing; not only he who does a certain thing.—Marcus Aurelius

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I never meddle with saying what a man should do in the world; there are over many others that do it; but what myself do in the world.—Montaigne.

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I find in my confirmed age the same sins I discovered in my youth; I committed many then because I was a child; and because I commit them still, I am yet an infant.—Sir Thomas Browne.

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It turns the stomach, it blots the daylight, where I looked for a manly furtherance, or at least a manly resistance, to find a mush of concession. Better be a nettle in the side of your friend than his echo.—Emerson.

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If anyone should set your body at the mercy of every passer-by you would be indignant. When, therefore, you set your own mind at the mercy of every chance, to be troubled and perturbed when anyone may revile you, have you no shame of this?—Epictetus.

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You will find, if you think for a moment, that the people who influence you are people who believe in you. In an atmosphere of suspicion men shrivel up; but in that atmosphere they expand, and find encouragement and educative fellowship.—Henry Drummond.

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Keep in the midst of life. Do not isolate yourself. Be among men and among things, and among troubles and difficulties and obstacles. You remember Goethe's words: "Talent develops itself in solitude; character in the stream of life."—Henry Drummond.

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It is not in England as in other countries, where the national will is but little felt compared with the will of a single ruler. Here, for good or for evil, the mind, the wishes, the character of the people are almost everything. —Dean Stanley.

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What we have missed long enough to want it, we value more when it is regained; but that which has been lost till it is forgotten, will be found at last with little gladness, and with still less if a substitute has supplied the place.—Samuel Johnson.

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There are several persons who have many pleasures and entertainments in their possession, which they do not enjoy. It is, therefore, a kind and good office to acquaint them with their own happiness, and turn their attention to such instances of their good fortune as they are apt to overlook.—Steele.

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The history of persecution is a history of endeavours to cheat nature, to make water run uphill, to twist a rope of sand. It makes no difference whether the actors be many or one, a tyrant or a mob....The minds of men are at last aroused; reason looks out and justifies her own and malice finds all her work in vain. It is the whipper who is whipped and the tyrant who is undone.—Emerson.

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NEWS FROM THE INTERIOR

Japanese Sentries Placed Around British, U.S. Firms

Shanghai, July 31.

"PROTECTIVE PATROLS" at British and American oil firms and other British and American properties, to guard them against any "untoward incidents" have been instituted by the Japanese in Tientsin and other outports, it was learned from reliable sources yesterday. It was also learned that a cargo, belonging to the Standard-Vacuum Oil Company, was stopped by the Japanese while en route from Peiping to Tientsin.

These "protective" measures, it was learned, had been undertaken by the Japanese to safeguard British and American property against demonstrations by the Chinese, who, it was reported, were angered by the British and American freezing of Japanese and Chinese funds.

In Tsinan the Standard-Vacuum Oil Company and the Asiatic Petroleum Company (North China), Ltd., installations have also been surrounded by "protective patrols." Tsingtao and Chefoo British and American firms have not evaded the measures either, and various firms, including the Yee Tsoong Tobacco Co., and British and American oil firms, are under "protection."

Tsingtao Picketing Said Eased

Tsingtao July, 31.

Chinese police guards which have been stationed outside various British and American firms here, for protection, have been withdrawn from some of the hongs and banks but not from oil installations.

Meanwhile the Japanese Consul-General has published regulations for transactions with foreigners in which permission is required to acquire or dispose of various rights and properties when dealing with persons whom, the Consul-General shall designate.

Transactions include those in F.R.B. notes and cheques, collections of loans, receiving and paying of deposits liquidation and underwriting of debts, offset debts and credits.

Permission also is required to do the following when dealing with or for persons the Consul-General shall designate: to give or receive in trust, to let or hire, to lend for consumption, to sub-let or sub-hire.

A further announcement designates persons affected as: Americans, including nationals of American possessions and dependencies including the Philippines, Britons and British subjects and corporations.

University Picketed

More than 100 persons of the staff and inmates of Cheeloo University and Hospital (missionary enterprises under the joint control of British and American missions) are facing a serious food problem as a result of activities by pickets, according to foreigners who arrived from Tsinan today.

Since Monday, all travel permits for railways have been refused Britons and Americans in this province, and the United States Vice-Consul at Tsinan, Mr. Carl O. Hawthorne, who is at present in Tsingtao, is unable to return to his post. Though he made several calls on the local Japanese consul, Mr. Hawthorne has been unable to see him.

All foreign holidaymakers are greatly worried by the situation. Though Japanese steamship companies are issuing tickets for bookings made prior to Monday, they are not making any new bookings for Britons and Americans, saying that the boats are full. However, rumours that foreigners have been refused travel permits for ships could not be confirmed.—Reuter.

All Movements in Kwangtung Stopped

Swatow, Aug. 1.

Headquarters of the Japanese Army forces in South China yesterday announced a complete ban on the movement of goods, people, and currency between occupied and unoccupied territories in eastern Kwangtung Province.

The ruling automatically rescinded all passage permits issued by the Army authorities before July 31 and provided for heavy penalties for violators.

The measure applied equally to overseas Chinese travellers from foreign countries, and to travellers by sea as well as land.—Domei.

Japanese Reported Leaving Canton

Hongkong, July 28.

The mass withdrawal of Japanese civilians from Canton and elsewhere in occupied Kwangtung is reported by a Chinese source here. There is as yet no confirmation from other quarters.—Reuter.

No Japanese Leaving

Canton, July 29.

Contrary to Chinese reports from Hongkong, there is no sign of a withdrawal of Japanese civilians from here.—Reuter.

Foreigners Leaving Chefoo Stopped

Shanghai, Aug. 2.

The Japanese are refusing to permit any foreigners to leave Chefoo, according to a telegram received in Shanghai yesterday. No reasons for the refusal were given. It was also stated that mails are being held up. It is understood that an appeal has been made to the British Consulate in the northern port and that representations are being made to the Japanese authorities.

If there is no relaxation of the ban before August 6, the party of pupils of the China Inland Mission Schools in Chefoo which was due to leave for Shanghai on that date may be delayed. Other parties which were due to sail for Tientsin will also be prevented from sailing.

It was learned yesterday that several of the children who were due to leave Chefoo on August 6 had been booked as passengers on the President liner which is to leave Shanghai for the United States about the middle of this month. If the refusal of the Japanese to allow these children to sail continues, serious inconvenience may be caused to several Shanghai families.

So far as could be learned yesterday there are no excuses, such as quarantine, etc., which can be held valid for the Japanese action. No news of any epidemic prevailing in the port has reached Shanghai.

Americans in North China May Appeal

Tientsin, Aug. 2.

Americans in North China contemplate officially drawing the attention of Washington to personal and other difficulties encountered as a result of local retaliation to the United States and British freezing measures.

These are reported to have so far included: Refusal of travel permits to United States nationals, many of whom are unable to leave port, while those possessing documents are unable to send heavy luggage by rail.

Recall of export permits granted before the promulgation of the freezing measures for the shipment of essential articles to the United States, causing cargo awaiting shipment to remain on the Bund, and failure to grant new permits for exports, with similar conditions applying to imports.

Curious Case

Refusal of the Post Office authorities to handle parcels for both British and Americans.

A curious case is related by an American, who is reported to have checked his luggage at a certain railway station and received a receipt, only to be told subsequently that "United States luggage is frozen."

The Post Office authorities, in declining to hand over parcels received for British and American individuals and establishments and in refusing to accept parcels for transmission from British and American nationals, are said to have declared that they are awaiting instructions from Peiping.

A reputable transport concern reports that heavy luggage belonging to either British or American nationals is no longer accepted by the railway authorities.—Reuter.

Japanese Ships Not to Call at Hongkong

Hongkong, Aug. 3.

Except for ships plying between Canton and Hongkong, Japanese vessels will not call at Hongkong unless guarantees of non-confiscation are given by the Hongkong Government, stated the Japanese Consul-General yesterday.

He added that the Nippon Yusen Kaisha had applied for such assurances, but that a reply had not yet been received.—Reuter.

Manchoukuo Follows Tokyo Action

Changchun, Aug. 1.

The Manchoukuo Government added Australia, Burma, and British Malaya to the list of nine countries, including Britain and the United States, whose assets had been frozen, announcement was made today.—Domei.

North China Restrictions

Peiping, July 29.

Following the action of the Tokyo Government, the Japanese Consulate in North China yesterday announced that similar measures of restrictions on financial transactions will be applied in North China for nationals of the United States, the Philippines, Great Britain and the British Commonwealth.

The North China Political Affairs Commission issued a notification to the same effect.

All business transactions of the foregoing nationals will be subject to permission by the Japanese Consulate in North China and Political Affairs Commission.—Reuter.

More Assets Frozen

Peiping, July 31.

The Netherlands and British India have been included in the list of nations whose assets have been "frozen" in North China.—Reuter.

Manchoukuoan Action

Harbin, July 29.

British and American funds in banks throughout Manchoukuo were frozen as from yesterday, when the Finance Ministry notified banks that hereafter no withdrawals from these accounts would be allowed without permits.—Reuter.

Tientsin Retaliation

Tientsin, July 29.

In retaliation for the British and American freezing of Japanese assets, a Consular decree was issued here yesterday by the Japanese Consul-General, placing all transactions involving nationals of Japan, and the United States, the Philippines and Great Britain, under control of Japanese Consular officials. Japanese sources believe similar action is likely throughout North China.—Reuter.

Nanking Retaliates

Nanking, July 29.

In retaliation against the freezing of its assets, the Nanking Government has enforced regulations prohibiting the disposal or acquisition of immovable property, investment, securities and money orders by American and British nationals without the permission of the Finance Ministry, it was announced today. It was said that offenders will be punishable with a fine of three to five times the value of the asset involved, not exceeding Yuan 5,000 or one month's hard labour.—Domei.

Canadian, N.E.I. Assets Frozen

Peiping, July 29.

The Japanese Consulate-General and the North China Political Commission have added Canada and the Netherlands East Indies to the list of nations whose assets in North China will be frozen.

Meanwhile, preparations are under way for the enforcement of a permit system on transactions between Japanese, Chinese and nationals of the listed Powers.—Domei.

Foreign Trade Control Body

Changchun, July 30.

Plans to create a central foreign trade control body to unify, coordinate and control the operations of foreign trade associations and firms throughout the nation, were announced by the Government today.

The body will tentatively be called the Manchurian Foreign Trade Association. Its jurisdiction will extend to Kwantung province as well.

Practically all types of goods involved in the nation's foreign trade, with the exception of the articles under Government monopoly, will come under its control. The creation of the body automatically dissolves the Manchurian Importers Federation, an association of Kwantung foreign trade and business co-operatives, and the Kwantung Foreign Trade and Business Cooperative Institute.—Reuter.

Formosan Order

Taihoku, July 31.

The Government-General of Formosa yesterday made public a special decree providing regulations for the control of transactions by Japanese with foreigners. The decree will be effective immediately and the regulations applying to the same cases and categories as those mentioned in the regulations for Japan proper.—Domei.

Manchoukuoan Passport Restrictions

Changchun, Aug. 2.

New passport visas valid for only one trip are now required for foreigners travelling from Manchoukuo to Korea and the Kwantung Leased Territory. The former yearly six months' visas are no longer valid.

Similarly Japan and Manchoukuo have introduced control of telegraph and telephone messages, permitting only international codes by wire and in the Chinese and Japanese language for long distance calls.—Reuter.

Restrictive Measures Against Shameen

Canton, Aug. 4.

Shameen, foreign concession of Canton, yesterday morning assumed the aspect of a concentration camp with the mooring of a Japanese pontoon near the British Steps for the examination of inward and outward traffic.

Other landing places were also blocked and the gunboat market on the Bund was stopped.—Reuter.

Chinese Claim Large Successes

Chungking, Aug. 4.

CHINESE forces recaptured Chaoyang on the afternoon of August 1 and the Japanese withdrew in the direction of Swatow, according to Chinese despatches from the Kwangtung front. Japanese troops landed recently in the vicinity of Kwangchowwan are said to have been withdrawn aboard transports and warships.

Heavy fighting is going on north of Ichang, on the north bank of the Yangtze river and west of the Han river, it is reported in Chinese field despatches reaching here. These reports say that on July 27 Japanese forces northeast of Ichang advanced westward in an effort to disperse strong Chinese forces concentrated in hills north of Ichang. As the Japanese moved northwestward, the main body of Chinese forces withdrew to strategic heights, sending detachments to the Japanese flank and rear.

Chinese forces began a counter-attack on August 1, when the Japanese launched no less ten assaults in an effort to break through the Chinese cordon, it is claimed.

At dawn of August 2, the Japanese renewed their assaults with support of artillery and aircraft, but the main body of the Japanese was surrounded and liquidated, with small units succeeding in escaping through the Chinese cordon northeastward leaving behind many dead and wounded and a large quantity of supplies, it is said.

One report claims that 1,700 Japanese dead were counted on the battlefield. Another report says that after receiving reinforcements 3,000 Japanese renewed the offensive on the afternoon of August 2 and that heavy fighting is in progress.

With bad weather holding off raids on Chungking, Japanese aircraft yesterday bombed west Hunan and south Hunan cities. Reports state that 71 bombers from Hankow raided Hunan. Twenty-six planes attacked Henyang yesterday noon, dropping bombs on the east and west banks of the Siang River. Forty-five planes bombed Changsha. Scouting planes flew over Hunan and Kwangsi.—Reuter.

Hongkong Freezes All Chinese Assets

Hongkong, July 31.

Hongkong authorities ordered the freezing today of Chinese Government assets as well as funds held by Chinese residents in the Crown Colony.

The order conformed with the action taken by the British Government in freezing Chinese assets in Great Britain.—Domei.

Summary of Week's Operations

The clearing up of bad weather, which hampered operations during the first part of this week, was followed by the three-day attack by Japanese naval planes on Chungking from July 28 to July 30, as well as raids on Chengtu, Tseliutsing, Nanchwan, in Szechuan, and Junghsien, in northern Kwangtung, the Press Section of the Japanese Fleet in South China waters announced.

Munitions factories, military facilities and warehouses in the neighbourhood of these objectives were destroyed, while three out of twelve enemy planes, which rose to attack Japanese bombers at Chungking, were said to have been shot down.

In a series of attacks from July 29 to July 31, raids were also carried out on Chungking Army's artillery positions near Ichang.

Meanwhile, Japanese blockade forces searched 2,152 ships on the north China coast and over 14,000 vessels along the Yangtze and southern Chekiang coast, of which 140 were confiscated, and more than 13,000 vessels at the mouth of the Yangtze, of which a large number were seized.

Japanese Crush Guerillas

Ningpo, Aug. 4.

Operations during July against Chungking guerillas by Japanese forces garrisoning the Ningpo area have resulted in the capture of large stores of military supplies including arms and ammunition. Eighteen persons were taken prisoner by the Japanese while fleeing Chungking troops abandoned 131 dead.

For three days beginning July 23, reports here said, Japanese forces conducted mopping up operations against the Tinghai guerilla bandits operating near Lake Tungchien, 15 km. southeast of Ningpo.—Domei.

Yenan Raided by Army Planes

At a Japanese Army Air Base in Central China, Aug. 4.

Waves of Japanese warplanes have carried out a destructive raid against Yenan, centre of the Chinese Red Army's operations in Shensi, the press section of the Japanese Central China Seas forces announced today.

The communique said that direct hits were scored on ammunition dumps and military objectives in the neighbourhood. All planes returned safely to their base despite severe anti-aircraft fire, rain and low-lying clouds.—Domei.

N.Y.K. Offices in Hongkong Damaged

Hongkong, Aug. 4.

A big section of the interior of the N.Y.K. offices on the waterfront was damaged by a fire which broke out last night. There were no casualties. A short circuit is believed to have been responsible.—Reuter.

British Firms in Tsingtao Allowed Petrol

Tsingtao, Aug. 2.

The British Consul, Mr. E.W.P. Mills, has been given to understand that petrol rations, which are unobtainable now will hereafter be allowed to British firms and individuals.

Yesterday the Japanese Vice-Consul called at the British Consulate and requested to be furnished with a list of petroleum requirements of the Consular staff and, unexpectedly, of Dr. R. F. Brown, a Briton. The Japanese Consular officer also called at the American Consulate for the same purpose.

Mr. Mills and the American Consul, Mr. Paul Meyer, were disagreeably surprised when they called on the Japanese Consul-General on Monday morning and after a wait of 40 minutes were unable to see him. The calls were made simultaneously without the usual preliminary appointment, but when they again called on the same afternoon after having made an appointment they were received by the Consul and Vice-Consul and told that the Consul-General, Mr. T. Takaoka, was too busy to see them.

Summer Visitors

The position of summer visitors here including over 100 Americans and about 60 Britons is still uncertain. While other nationalities are securing travel permits from the naval authorities without difficulty Britons and Americans have been told since Monday to leave their passports and to come back today. This morning they were told to come back on Monday.

While being told there are no bookings available on the sole Japanese shipping line the majority of Britons and Americans are not panicky, taking a sanguine wait and see attitude.

Local British authorities have not heard anything regarding conditions in Chefoo but it is understood that local British residents now in Chefoo who had bookings on the Tangshan Maru from Chefoo for Tsingtao on Thursday have informed their relatives here that they had to cancel sailing due to their inability to obtain naval travel permits.

There is certainly obstructionism in local bureaux but hitherto no disclosed cases of definite refusals.

The United States Vice-Consul at Tsinan, Mr. Carl O. Hawthorne, returned to that city last night after being unable to leave Tsingtao for several days following the ban on issuance of travel permits for Britons and Americans.—Reuter.

North China Rules for Freight and Luggage

Tientsin, Aug. 3.

As a reprisal for the British and American freezing of Japanese and Chinese assets, the North China authorities and those of Inner Mongolia have taken several measures affecting transportation of goods and luggage belonging to concerns of nationals of the United States, Great Britain and the Philippine Islands, says the "Tenshin Nippo."

The following regulations have now been enforced in this matter:

1.—Any request for railway transportation will have to be accompanied by a special permit delivered by the Peking Political Council if the value of the parcel's contents exceeds $100.

2.—These permits will be provisionally delivered through the Federal Reserve Bank, designated by the Peking Political Council.

3.—The North China Communications Company will refuse to accept or deliver parcels without presentation of the permits.

4.—Goods dispatched before the enforcement of the new regulations will not be delivered unless the permits are obtained.—Havas.

Wang Visits Japanese South China C.-in-C.

Canton, Aug. 3.

Mr. Wang Ching-wei, President of the Nanking Government, who arrived here yesterday to attend the East Asia Press meeting, paid a courtesy call on the Commander-in-Chief of the Japanese Expeditionary Forces to South China at 9 o'clock this morning at the latter's official residence. Following a 60-minute conversation, Mr. Wang departed.—Domei.

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Long Raid on Chungking

Chungking, July 28.

CHUNGKING experienced its longest raid on record today when more than 100 planes in many waves attacked Szechuen starting at 6.30 a.m. and continuing for nearly nine hours. Only two waves however actually bombed Chungking although several passed over the city without dropping bombs. Nine planes which bombed the western suburbs were followed by 25 more.

Other places raided included Luchow on the Yangtze River half way between Chungking and Chengtu, Tseliuching, famous salt well district in western Szechuen, Hochwan on the Chialing River north of Chungking, and Peipai, famous hot springs resort on the Chialing River, north of here.

Previous to today's raid the longest attack on Chungking took place last year. It lasted six hours.

A big battle between Chinese and Japanese planes took place over the city today. The air defence headquarters, confirming the combat, states that the number of raiders shot down was not yet ascertained.

Anti-aircraft batteries were inactive. Some Chinese fighters in the combat displayed much more speed than hitherto has been seen in Chinese aircraft here.—Reuter.

Japanese Version

A Japanese Naval Air Base in Central China, July 28.

In one of the rare occasions when Chinese planes rose to meet Japanese raiders, Japanese naval aircraft shot down three out of 12 enemy machines over Chungking today, the Japanese Central China Seas Fleet announced.

The raid on Chungking was one of a series carried out on strategic enemy bases including Tseliutsing, Neikiang, and Luhsien all west of the Chiang Kai-shek wartime capital along the To River, the communique said.—Domei.

Province Heavily Bombed

A Japanese Naval Air Base, July 29.

Japanese naval bombers struck heavily at enemy centres in Szechwan Province, including Chungking, which was battered in the longest raid yet on the Chinese wartime capital for seven hours, the Japan-Central China Seas Fleet announced, today.

Following on the heels of yesterday's six-hour raid on Chungking, seven waves of Japanese naval raiders roared continuously over the capital from 10.30 o'clock this morning until 5.30 o'clock in the afternoon.

The Japanese raiders met a heavy curtain of anti-aircraft fire, but penetrated this successfully to score direct hits on many military establishments. Several fires broke out, Japanese flyers reported.

Bases near Chungking came in for the attention of the Japanese bombers. At Tzeliutsing, 80 kilometres west of Chungking, destruction of an important munition dump was effected.

Munition factories were blasted at Nanchwan, 60 kilometres southeast of Chungking, while groups of munitions plants were blown up at Junghsien, 110 kilometres west of Chungking. No Japanese planes were missing from the raids.—Domei.

Soviet Embassy Damaged

Chungking, July 29.

During today's Japanese air raid on Chungking the Soviet Embassy here was badly damaged by bombs, while the British Embassy, practically destroyed already, was hit again.

It was officially announced that casualties during the raid amounted to twenty killed and wounded.

The raid was carried out by 90 Japanese planes, flying in four formations, one of which attacked Tseliutsing, a salt production centre 200 kilometres west of the capital.

The other three formations attacked Chungking in the midst of heavy anti-aircraft fire.

Meanwhile, Generalissimo Chiang Kai-shek has given 100,000 dollars for the relief of victims of the Japanese air raid on Chengtu two days ago.—Havas Telemondial.

Nine Hours

Chungking, July 30.

The Japanese staged another long raid yesterday lasting nine hours, starting at 7.30 a.m. The "all-clear" was sounded at 4.20 p.m.

Japanese planes twice bombed the western suburbs of Chungking. Many bombs fell in the vicinity of the Soviet Embassy, starting one large fire. They also twice bombed the Tzeliuching salt wells in western Szechuen.—Reuter.

All Day Raid

Chungking, July 30.

Japanese aircraft subjected Chungking to an intensive day-long bombing today when about 150 raiders, in six waves, raided Szechuen.

Five waves bombed the down-town section of the city and the western suburbs, while another wave bombed Chuhsien, northward of Chungking.

Today's raid started at 7 a.m. and ended at 3.40 p.m. Japanese aircraft have been subjecting Chungking to day-long raiders for four days in succession since July 27.—Reuter.

Mass Raid

Central China, July 30.

Japanese naval bombers today carried out a mass raid on Chungking, blasting military establishments within and outside the city, the Press Section of the Japanese Central China Seas Fleet announced.—Domei.

25th Raid This Year

Central China, July 30.

Chungking, for the 25th time this year, was subjected from 10 a.m. to 5 p.m. today to an intensive bombardment by Japanese naval planes which scored direct hits on remaining military establishments in the Futukwang sector and the western suburbs, the Press Section of the Japanese Fleet in Central China waters announced.

Despite anti-aircraft fire, the largest formation of naval planes, since the Chungking bombing began, bombed for seven hours factories and other war objectives, of which many were camouflaged.

All planes returned to their bases after blasting a fuel depot and powder magazine and noticing scores of fires break out.

Meanwhile, it was learned that three Chungking planes on the ground were destroyed with direct hits during yesterday's air raid.—Domei.

Socony Building Hit

Chungking, July 31.

Besides damage to the United States gunboat Tutuila, Japanese planes yesterday, in their long raid on Chungking, scored a direct hit on a Standard Oil installation. One bomb is also stated to have landed just outside an American building.

Damage to the installation and building is estimated at $50,000. It would have been greater had not the bombs been small sized ones.—Reuter.

Burmese Mission See Bombing

Chungking, July 31.

The lengthy and violent Japanese air raids carried out over this city during the past few days enabled members of the Burmese air defence corps now on a visit to Chungking to see for themselves how the Chinese capital's anti-aircraft defence organization operates.

The four Burmese air defence officials called on Chinese civil and military officials following their arrival on July 28 and inspected the signal corps functioning during air raids, in which they seemed very much interested.

After the raids yesterday they personally inspected the bombed areas and watched A.R.P. wardens at work.—Havas Telemondial.

Szechuen Town Bombed

Nanking, Aug. 1.

Formations of Japanese Army planes effectively bombed munitions factories at Fengchieh, in Szechwan Province on the north bank of the Yangtze River, the Press Section of the Japanese Expeditionary Forces in China announced today. All planes participating returned safely, the announcement added.—Domei.

Shensi Bases Raided

At a Japanese Army Air Base, Aug. 2.

Despite bad flying weather, a Japanese army air squadron this morning, and again this afternoon, carried out severe air raids on Weinan, 50 kilometres north-east of Sian, capital of Shensi, and Sienyang, 20 kilometres north-west of Sian, field despatches reaching here revealed. Military establishments, including munitions dumps, were destroyed during the raid, the reports said.—Domei.

Mass Raids Reviewed

At a Japanese naval base in Central China, Aug. 2.

The largest formations ever to attack the wartime capital of the Chiang Kai-shek régime, smashed Chungking in two unprecedentedly devastating air raids, the press section of the Japanese Fleet in Central China Waters announced in its weekly review of naval aerial operations.

The communiqué declared that Chiang Kai-shek's capital was pounded with high explosive bombs for more than eight hours during each raid, and enormous destruction was spread in the already battered city.

Revealing that waves of naval bombers for the past seven days have intensively attacked key cities in Szechuen and Anhwei provinces, the announcement said that Japanese aircraft yesterday bombed Kweiki, key point on the Chekiang-Kiangsi railway, and destroyed armaments heaped in the compound of the railway station, as well as arms depots.

Anhwei Centres Attacked

Other units during the week, it was revealed, raided the head-quarters of Chungking forces at Chifengchen, 95 kilometres west of Anking, and Kungcheng, 70 kilometres north of Anking, blowing up arms and ammunition depots belonging to the 116 and 416 Brigades.

Meanwhile, large formations of naval planes followed up the aerial attack on Chengtu on July 27, in which military objectives were destroyed, with raids on other key cities in Szechuen province, inflicting severe damage to Chungking military establishments, the review revealed.—Domei.

Japanese Army Drive

With Japanese Forces in North Kiangsu, July 28.

Despite intense heat, and intermittent rain, Japanese forces have been driving successfully against Chinese Communists troops in north Kiangsu Province, field despatches revealed.

Up to Saturday, Japanese troops aided by Army aircraft were meeting with marked success. The Japanese took Makiachwang and Liukiatun, 20 kilometres southwest of Yencheng, whose capture was the major achievement in the current drive, ousting the Reds from their last important stronghold.

On Friday Japanese forces routed a group of New Fourth Army troops at Kupatzu, while another unit annihilated a Red "student corps" at Lukiatakiao.

It was disclosed that Japanese bombings of Lipaochen earlier in the drive result in Red losses of more than 300 dead, and the destruction of the headquarters of the First Brigade.

Total enemy dead in the operations up to Saturday were 500, with 150 prisoners being taken.—Domei.

Campaign Against Reds

North Kiangsu, July 29.

The week-long drive against Chinese Communist New Fourth Army remnants intensified this morning, as the Japanese forces thrust into Fowning, 55 kilometres northwest of Yencheng.

Fowning was the next most important centre of the Red troops to Yencheng, captured a week ago. Japanese troops entered into Fowning at 7 o'clock this morning.

Yesterday at dawn another Japanese unit dispersed a group of the Communist forces at Chiganchen.

Chungking's 89th Army massed in the northwest areas of Kiangsu were reported fleeing northward before the Japanese offensive.—Domei.

Ichang Advance

Hankow, July 30.

Four Japanese detachments, which launched a surprise attack against Chungking forces massed in the mountainous regions in western Hupeh near Ichang, yesterday flung back the Chinese to capture Lokiaping and Szuchiehping, respectively 23 kilometres and 19 kilometres northeast of Ichang, field despatches here said.

The Japanese units were driving the Chungking forces, belonging to the 13th Division of the 75th Army and the 185th Division of the 94th Army, to the north in harrying attacks.

Along the Peiping-Hankow Railway at Kwangshui, Japanese troops commencing operations on Saturday routed 2,000 guerillas to advance 15 kilometres northeast of Kwangshui. Chinese losses included 342 killed.

Another Japanese unit yesterday broke up a concentration of enemy troops north of Kingmen, further despatches said.—Domei.

Attack in N. Kiangsi

Central China, July 30.

With Japanese Army planes maintaining unceasing attacks, Chungking troops at Sinchiyuan in north Kiangsi's Ninth War Zone, were steadily being encircled by five Japanese units today noon, it was reported here.

Japanese planes were effectively blasting the Chungking forces, drawn from the 13th, 15th, and 16th Divisions as the Japanese advanced in a triple-pronged drive, it was stated.—Domei.

"Model Yangtze Zone"

Shanghai, Aug. 3.

More than ten Japanese detachments operating on the lower reaches of the Yangtze River for the purpose of establishing a "model peace zone" with the collaboration of the Nanking Government, continued to make progress, reports reaching here yesterday said.

In 27 engagements against the Chungking forces, 1,233 prisoners were captured, Chinese dead totalling 173. More than 1,000 villages were cleaned up of Chinese troops and bandit elements, it was stated. Included among the prisoners was the Chief of Staff of a New Fourth Army battalion.

N. Kiangsu Operations

Four Japanese detachments which on July 20 swung into an offensive against the Chinese Communist New Fourth Army troops in north Kiangsu, were reported to be extending the zone of operations to "several score" kilometres around Yencheng, the major Red stronghold captured on July 21.

Field despatches disclosed that up to date losses suffered by the Communist forces totalled 940 dead, with 165 prisoners being taken. An additional 400 Reds voluntarily surrendered to the Japanese, it was added. Japanese losses were 11 dead, the reports said.—Domei.

Chinese Wiped Up in Anhwei

Taiyuan, Aug. 2.

In an offensive in three directions, rapidly moving Japanese columns have completed a crushing drive against 3,000 Chinese Communist forces concentrated in the Lienchi mountains in central Shansi province, according to field despatches reaching here today. Latest reports stated that the Communists have already abandoned 200 dead while the Japanese have seized 93 prisoners, 70 horses and large amounts of military stores including 35,082 trench mortar shells.—Domei.

Weihaiwei Holiday-Makers

(Contributed)

Shanghai, Aug. 1.

SHORTLY before we left Shanghai, rumours were spreading about the difficulty of entry and landing here. In order to dispel immediately this idea, so that others, too, can enjoy this heaven-sent place without anticipation of worry, I will relate our own mild experience.

The restrictions have been exaggerated. It must be understood that Weihaiwei is an "occupied" port, and as such, the occupying forces must take such precautions as their Commander sees fit. Here we are lucky, as restrictions are most reasonable and do not interfere at all with our pleasure.

We arrived early in the morning and were boarded at a reasonable hour by the Health Authorities who wished to see our cholera and vaccination certificates, a simple matter, easily and efficiently disposed of. Then as we left the boat for shore, our luggage was passed through the Customs examiners, while we stood by like a hen anxiously watching her brood, but were not called upon except to open all boxes. The luggage then left for the Customs pier in sampans, small lighters, etc., and we followed comfortably in the agent's launch.

My friend, who was mentioned in despatches for inadvertently shipping an old revolver in his luggage, met the ship and helped us to get ashore. *Incidentally he came to an immediate* understanding with the Japanese authorities on his arrival. The latter accepted his explanations in a really understanding manner and they are now on exceedingly friendly terms.

Luggage Examination

We landed at the sea end of the Customs pier. Our party consisting of two men and two women, walked quietly down the pier, past the long lines of luggaage, to where our gharries (which had been thoughtfully ordered for us) were waiting. We put the ladies in a gharry and sent them on their way rejoicing, while we turned back to await our turn for luggage examination by the Water Police and their newly trained examiners.

Being used to the East, and realizing there was no earthly use fussing or hurrying, we easily put in an hour or two on shore till my turn came.

To explain in detail. Luggage is stacked on the pier lengthwise as it arrives, and the examiners work from the base up. You are not allowed back on the pier till the examiners are ready for your luggage. The examination is a very thorough one, and future visitors should pack very loosely, leaving ample room in their trunks, as every article is examined and replaced—and not with the loving care of a careful housewife!

When the lid is shut, the trunk or suit-case is passed on to the Red Cap porters, whose object is to rush it off the pier and claim their pay token. It is difficult to stop them and lock and strap your precious possessions.

That is all. We loaded up on a mule cart and away to my friend's charming bungalow for a snack.

Don't be impatient and try to get priority. Don't exclaim when they examine your things very thoroughly. They are merely carrying out their orders, and will do so however much you fuss!

Few Barricades

The town is practically the same as I remember it years ago. There are wire barricades, wide open during the day, as the only sign of "occupation". The natives are as delightful as ever, greeting you courteously in their own dignified way.

Shops are well stocked and there is plenty of everything. The market is the same as before, good and ample meat, chickens, fish, fruit, or vegetables, the last three really excellent.

The only "fly in the ointment" is the F.R.B. dollar, but this is "occupied territory" and there it is. A dollar is just the same old dollar to the native and his services are assessed on the same scale as before, and also his produce, fish, etc. The only people who moan about it are us from the South to whom it is "not quite so funny". However we are having a holiday and its cheaper here than any other seaside resort.

Transportation is simple and ample, sampans, gharries, rickshaws abound, but "shank's mare" is still favourite.

Perfect Climate

The climate is perfect, bright but not too strong sun by day and jerseys in the evening, and a blanket at night. The sea is quite nippy for a minute or two after the first plunge.

Fish is plentiful as usual, and some enormous catches have been made by the local fishermen, several 20lb. tunny fish being netted near Half Moon Bay. It is too early for bass, but in another month the visitor should be amply rewarded for bringing up a rod and good fishing tackle.

Eastcliff Hotel is full, but King's is also open so there is ample accommodation in this delightful spot.

If you want to bring up drinks or stores in nailed cases get a Customs *Huchao* from Marden's, with an invoice giving details of contents, and you should have no trouble.

Electric torches are frowned upon, but a small one, carried in the hand, as I did, is allowed through. Binoculars and cameras are best left behind to avoid argument.

Ah Fong is here and has an excellent collection of snapshots. He will oblige with any special order as well.

Japanese Troops Said to Be Withdrawing

Shanghai, July 30.

Large-scale withdrawal of Japanese troops from both banks of the Yangtze River was reported last night in the evening edition of the "Sin Wan Pao." Quoting information from Chungking the report said that Japanese troops stationed on both banks of the river and those in north Kiangsi have recently been withdrawing to Shanghai.

They will return to Japan to undergo reorganization and will be used in the northward or southward move by Japan, it was said. It was rumoured, the report said, the Japanese will not try to hold the whole length of the Nanchang-Kiukiang Railway, satisfying themselves with occupation of Kiukiang only.

The Japanese were said to be trying to "shrink" their line of defence, and in view of this, Chinese troops were attacking fiercely around Nanchang, capital city of Kiangsi.

The same paper reported in its morning issue that all Japanese troops stationed in Nantao had been withdrawn to unknown places. Efforts to obtain definite information from Nantao residents failed, but during the past few days, Nantao residents have been living in a tense atmosphere in view of the rumoured closing of the iron gates separating the native city from the French Concession here for a long period.

Recent Chinese reports were to the effect that Japanese ships on the Yangtze run had been ordered to stop selling passenger tickets hinting that military requisition might be in order.

Women Not Permitted To Land Hongkong

Shanghai, July 30.

Except under very unusual circumstances, women and children will no longer be permitted to land at Hongkong, even in transit, according to the latest regulations issued by the authorities of that port. Colony officials have always threatened to tighten up on the ruling regarding women and children landing at Hongkong, but it was not until four or five days ago that the previous regulations were made more stringent.

Formerly, women and children travelling through Hongkong were permitted to stay at that port for a period of no longer than seven days when waiting for their outgoing ship. This has now been prohibited.

Included in the new regulations is the stipulation that those women and children who are transferring from one ship to another at Hongkong must first obtain permission from the *Colony authorities*, through the local Passport Office of the British Consulate, before being allowed to tranship.

Must Wait at Macao

In addition to this, women and children passengers will not be permitted to land while awaiting transhipment. Should their incoming ship arrive before the outgoing ship is in port, they will have to proceed to the Portuguese port of Macao to wait for their vessel. When their outgoing ship arrives at Hongkong, passengers at Macao will be accordingly notified and they will be permitted to board the vessel at Hongkong.

With regard to women and children passing through Hongkong on the same vessel, only very exceptional circumstances will permit them to land at the port. Children in all cases are those under 18 years of age. The local interpretation of the new regulations is that they affect all women and children, regardless of nationality.

Nanking General Killed

Hankow, July 29.

Major-General Hsiao Chi-chang, Chief of Staff of the Nanking Government's Pacification Corps, died in hospital here following a faulty landing by the airliner in which he travelled from Shanghai.

Seriously injured, he was immediately rushed to the Municipal Hospital, but all efforts to save his life failed. General Hsiao was the only passenger aboard the plane, whose crew all received injuries.—Domei.

General Shunroku Hata, Commander-in-Chief of the Japanese Expeditionary Forces to China, granted an interview to pressmen in Nanking at his official residence on Wednesday afternoon, the "Shanghai Mainichi" reports.

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NEWS FROM THE INTERIOR (continued)

Conditions in Wenchow

SPECIAL TO THE "N.C.D.N."

FROM April 20, until May 2, Wenchow was occupied for the first time by Japanese troops. After some days of warning by naval and aerial activity, a report was spread that enemy troops had landed at the port city of Julian, at the extreme south of the province. People have come to disregard such rumours, and only a few evacuated at first. But when it seemed certain that enemy were actually moving up the canal north to Wenchow, the city was thrown into panic. People snatched up a few clothes and fled. By next morning persons of importance, young women and most young men of the student classes, office-holders in schools and government organizations, had disappeared, before the entry of Japanese soldiers, who had met with no opposition.

Hastily improvised Japanese flags displayed on all house doors gave the invaders a feeling of being welcomed. One of their first acts was to throw open all government offices and schools, for free popular looting. This generous gesture met with a worthy response. In one day these places were stripped as though by a plague of rats, not only of everything movable, but also of structure, such as doors, floors, windows, piping, iron-railings and roofs. Looting of private homes followed on this first orgy, and soon the practise became general, few houses escaping. The only extenuating factor in defence of the looters, who consisted mostly of the lower orders, was the closing down of business, and consequent unemployment and hunger.

Conduct of the invading soldiers was correct enough at the beginning, but later a marked change was noticeable, just as though a decision had then been taken that the occupation should not be permanent. Petty confiscations and house-to-house looting by soldiers started in a cautious fashion, but increased each day, until finally there was little restraint. But the conduct of the invaders towards the small foreign community was sufficiently correct and courteous.

Millions in Booty Removed

Earlier expectations of setting up a government to restore order were soon disappointed; the Japanese commanders seemed too pre-occupied with their main business of emptying the government export godowns in city and country. Day and night, lines of boats loaded with woodoil, tea and cloth, were rowed down to the Juian canal to waiting steamers. Many canal boats overturned as a result of overloading. Millions of dollars worth of booty was removed in this way.

It is now apparent that the motive of the invasion was to assist the naval, economic blockade in its work. A permanent military occupation of this river valley surrounded as it is by mountainous guerilla country, would be a costly business with little advantage. Even during this short period the Japanese suffered hundreds of casualties in their brushes with Chinese soldiers closing in on the city in the surrounding hills.

One morning people awoke to the usual sound of busy stirring of a Chinese city, familiar sounds that had ceased with the entry of the invaders, and not a foreign soldier remained. Overnight, too, had disappeared all the foreign flag, political sympathy having changed in so few hours. In the interim between the departure of the new regime, and the return of the old, more unprincipled looting took place, a large department store suffering most of all—only the mere shell of the building structure remains.

Amnesty Proclamation

The first action of the entering soldiers—popularly acclaimed of course as conquering heroes—was to issue a proclamation threatening death for all looters, but forgiveness to looters who liked to return their stolen goods. Early next morning certain streets were strewn with every kind of stolen articles, an amazingly miscellaneous collection, even including wooden articles that had already been split up into firewood but still recognizable as loot. Meanwhile soldiers searched every house in the city, and where anything at all resembling loot was detected, the householder was taken away. In this work neighbours assisted the soldiers by telling tales. Executions took place daily.

There was nevertheless genuine relief at the return of the old regime, but general confidence grew very slowly. The Bank of China delayed re-opening and many shops remained closed. The continuation of fighting in the North and central areas of the province emphasized the prevailing uneasiness—also the concentration down the coast in June of a record number of warships large and small. Nevertheless, strong dislike of living in the country drew the evacuated city people back to their homes.

Occupation Major Misfortune

The occupation was a major misfortune timed at a date most inopportune to the area, which had already entered a black period of food shortage, rising prices and general poverty. The coming of the Japanese accentuated these and other evils.

Living costs are reflected in workmen's wages which were from 40 to 50 cents three years ago, and are now from $5 to $6. Rice stocks are low and all efforts to import grain for the poorer classes have been frustrated by the blockade. Street beggars, some respectable looking persons, are on every hand; but so far one does not meet many cases of actual starvation.

The blockade continues and has been intensified. No ships have entered this part of the coast since the occupation, nor are there signs giving promise of a renewal of shipping in the future. Apart from the restriction this causes to outside trade, hardship is caused to certain individuals, particularly to the foreign community, which has to depend entirely on local produce—also the hospitals, of which the largest are operated under the auspices of the Christian missions, are getting to the end of their reserves of drugs.

Fewer Air-raids

Air-raids have greatly decreased since the wide-spread activity that preceded the invasion. Many country towns and villages that had never before been visited by planes, were then ruthlessly bombed. Wenchow was not done too roughly by in comparison with the murderous treatment of certain other cities in the province parts of which were left in ruins, such as Lishui, and Yungkang. In one raid over Wenchow during the spring a bomb which seemed to those on the ground to have been dropped with some deliberation, narrowly missed a foreign residence in the Methodist Mission (British) compound, and destroyed servants' quarters and other buildings, killing one servant. Fortunately the rest of the staff, and the missionaries were all in the compound dugout, and suffered no physical hurt.

After four months of blackout, during which time people have been using up fast-dwindling stocks of candles, eked out with ancient vegetable oil lamps, the electric company has at long last repaired its machinery, and produced light for the streets and private homes. Only the price has been raised to the colossal figure of $2.50 per unit.

Unusual Summer So Far Experienced

SPECIAL TO THE "N.C.D.N."

Fowyang, An., July 19.

For some unknown reason Yellow River floods have not yet reached north Anhwei. Two years ago they came down in all their fury on June 24. Last year they were over three weeks late, and didn't reach these parts until the middle of July. It is now well past the middle of July, and still there are no signs of the annual disaster.

Everything is in readiness. The dykes on both sides of the Sha River have been repaired for hundreds of miles. It is to be hoped that they prove more effective than they did the last two years when they broke under the terrific pressure, and hundreds of square miles of farm land were inundated.

Most Unusual Summer

This has been a most unusual summer. Usually the thermometer climbs over 90 round May 15 and stays put until the end of August. This year has been a most delightful exception to the rule. One could count on his fingers the number of days when it was really oppressively hot. On several occasions it hit the 100 mark, but there was little or no humidity, and so it was quite bearable. There has been only one spell of really enervating weather, and that lasted for only three or four days.

Perhaps the unusual amount of rainfall has helped keep the temperature moderately cool. The early spring was very dry; but the summer has been just the opposite. Two weeks ago there were torrential rains from Monday to Friday incessantly. The result has been disastrous for the farmers, specially those in the lowlands near the river.

The dykes built to keep out the Yellow River are now acting as a bane rather than a blessing, so that these rain waters are now unable to drain off the land. This means, that in many parts the soya bean crop is under several feet of water, and is ruined. These poor people, how they do suffer. If it isn't the Yellow River floods that rob them of their livelihood, then it is the local rains.

Wheat Harvest Very Poor

The wheat harvest this year was very poor, the poorest for a good many years. This was due to two reasons, firstly, owing to the floods last year, a great deal of the wheat was planted too late to come to anything. Secondly, a very dry spring, with hot south winds which broke the husks before the wheat could be gathered. In this way, not a small portion of the wheat was lost. The total crop this year was only about one-third of last year's yield which was a particularly good one.

The result is that the new wheat when it made its appearance on the market was dearer than the old. Flour on the street it now selling at $1 for two chin. The local people think it's terrible; but there are other places farther west where prices are a good deal higher.

Excellent Prospects for Shushu

But what the people have lost in wheat, they will no doubt make up in shushu. The frequent rains have been good for this crop, and the result is that unless something unforeseen takes place there ought to be an excellent harvest. This, besides helping to make up the wheat deficiency, will also give them an abundance of material for fuel.

In these parts, shuchiai (shushu after it is cut down) is the main article of fuel. Just now it is very dear, being as high as 15 cents a chin. Wood is only ten cents per chin. When the shuchiai comes in about two weeks time, the price of fuel ought to drop considerably. At present, owing to the annual floods, fuel is as big an item of expense as food for most of the poor people.

Owing to the height of the shushu the bandit problem has become rather acute. The road to Pengpu is now regarded as quite unsafe for travel, and merchants for the time being are possessing their souls in patience until the shushu is cut down.

Visit by Japanese Bombers

Ever since Chinese New Year, when the Japanese made their drive through north Anhwei this place had been left in peace. Last Monday, without any previous warning, three bombers flew over the city from east to west and dropped a number of high explosive bombs on the south of the city. About a quarter of an hour later they returned, and had a second try.

There were none of these diabolical incendiary bombs which on two former occasions wrought such terrific havoc with the thatched houses. But even so, the damage was quite heavy. About 30 persons were killed and as many wounded. The casualties wouldn't have been so high had the people had time to scatter; but as it was, the raid descended without any warning whatever.

The effect was electrifying. Next day hardly a soul remained in the city; everybody packed his lunch basket and left almost as soon as it was light. By 9 a.m. the city was like a deserted camp. There have been air-raid alarms every day since, but on only one occasion did the planes appear.

As a result of this daily exodus to the country, the merchants are hard hit. Business is at a standstill, and it is very difficult to make purchases. Not a few of the merchants have removed their goods to the country to be out of harm's way should they decide to treat the town to incendiary bombs.

Hangchow Railway Again Blown Up

Shanghai, Aug. 5.

Reports appearing in the leading Chinese dailies here yesterday said that the section of the Shanghai-Hangchow Railway between Chou Wang Miao and Ningping had again been destroyed as a result of an explosion. Passengers both ways had to alight from the train on Sunday and to walk over the bombed area before resuming their journeys.

Closure of Reuter's Office

London, July 31.

In the House of Commons yesterday, Sir John Wardlaw-Milne asked Mr. Eden whether he was aware that the enforced closing down at the instance of the Japanese authorities of the only British news agency in Hankow, namely Reuter, and the "Central China Post," will have the result that large areas of Central China will, in future, be dependent for news on Axis sources alone.

In reply, Mr. Eden stated that he appreciated the point raised by Sir John Wardlaw-Milne, and that a report had been called for which had not yet been received.

Sir John said: "Will Mr. Eden consider carefully whether there are any measures we can take to prevent this stoppage of publication of British news in China." Mr. Eden replied: "I entirely agree. That is why I have asked for this report to see what steps we can take."—Reuter.

FAR EASTERN CRISIS

More Japanese Troops Land

Somewhere in South French Indo-China, July 30.

THE second contingent of Japanees troops, including an unnamed Supreme Commander, landed at 6.30 o'clock this morning in southern French Indo-China, it was announced. The first landing of Japanese troops took place yesterday morning at 11 a.m.—Domei.

Saigon, July 30.

Although Japanese transports continued to arrive today and more were expected by Friday, the Japanese have still not marched through the city to their quarters.

The Japanese General Staff was not expected to land here before the week-end, while Japanese naval units, consisting of destroyers, were to reach Saigon today or tomorrow, a member of the Japanese military mission told the United Press.

Six transports loaded with Japanese troops arrived here this morning as Japan began occupation of southern French Indo-China.

Nine more transports were expected to arrive during the afternoon, said authoritative sources. Two vessels docked shortly before 7 a.m. then four more steamed into the harbour later.

The sun had not risen this morning when the first two Japanese transports arrived in port after slowly coming up the river

Foreign Buildings Requisitioned

Members of the Japanese mission were standing at the deck as the vessels approached. Several kilometres downriver the outlines of at least three additional transports could be seen.

A Japanese destroyer was anchored about one mile from the docks. By seven a.m. the gangplank from the first transport had been lowered and members of the Japanese military mission went aboard.

The transports were painted dark grey and the decks were loaded with barges and motorboats, while the entire deck resembled a field of khaki as Japanese soldiers for the first time laid eyes on this "Paris of the Orient."

Meanwhile, more office buildings belonging to French and British firms were being requisitioned. It was understood that Japanese authorities would pay rentals for the properties.

The first transport touched the pier at 6.30 a.m. and the second at 6.45 a.m.

Perfect Discipline

Travellers arriving from Nhatrang this morning stated that the Japanese landing there was carried out without a hitch and the Japanese maintained perfect discipline.

Simultaneously, more buildings and villas belonging to prominent residents were being requisitioned for use by Japanese officers.

The city continued to be calm this morning, with civilians eating breakfast on their favourite terraces while they bought morning papers.

The increasing lack of accommodation was being felt by visitors, who were being put up by friends, and if they had no friends, by persons who yesterday were perfect strangers.

It was believed that Japanese transport would continue to arrive during the next few days since it would be impossible to disembark 40,000 troops with their equipment in 48 hours. Japanese warships were expected to arrive at any hour.—United Press.

Camranh Bay Occupied

Saigon, July 30.

Japanese troops of occupation have begun to instal themselves at Camranh Bay.—Reuter.

Fleet Said in South

Vichy, July 30.

Coincident to signature of the Franco-Japanese accord providing "joint defence" of Indo-China, the Paris press yesterday reported that Japanese fleet units had been concentrated between Formosa and Hainan Island, hence between Manila and Hongkong, while simultaneously Japan's army strength in Korea and Manchoukuo was being increased to 17 divisions. The biggest concentration was said to be east of Harbin, 300 miles from the Soviet frontier.

The first Japanese military measures in Indo-China are to be through naval landings, but according to official commentary published here, Japanese land and air forces will proceed to their new bases in Annam and Cochin-China by crossing the entire length of the country instead of coming by sea to the Saigon region.—United Press.

Gen. Yamagata Received

Hanoi, July 29.

Vice-Admiral Jean Decoux, the Governor-General of Indo-China, yesterday received General Yamagata, a member of the Japanese military mission. General Yamagata will replace General Nishimura.—Havas Telemondial.

"Self Defence"

Tokyo, July 30.

A semi-official despatch issued here states that the reinforcement of Japanese troops in Indo-China is seen as a measure of self-defence, both for Japan and France, against encirclement by Chungking, Malaya and Burma.

The measure is also considered a fatal blow against Chungking which is alleged to have offered remote air bases to Britain and America.

This is held to have menaced the security of Indo-China, which is co-operating with Japan and therefore a threat to Japan—"to the same extent as Czarist Russia's ambition to invade Korea."

Therefore, the despatch concludes, "There is a great difference between America's aggressive advance to Iceland, and the Japanesse reinforcement, which was effected peacefully under protocol."

Tokyo Announcement

Additional Japanese military detachments, sent to French Indo-China under the provisions of the Franco-Japanese agreement for "the joint defence of French Indo-China," landed at a southern port-town at 11 a.m. today, according to Japanese reports received here.

The troops completed their landing operations in a quarter of an hour, it is added.

The town has a population of some 20,000, of which about 500 are French. About 2,000 natives witnessed the landing of the Japanese troops.

The Japanese military authorities, the reports add, were "strongly impressed by the vigorous co-operation extended by the French military authorities in facilitating Japanese landing operations and quartering Japanese troops."—Reuter.

Air Units Arrive

South French Indo-China, July 31.

Following the successful landing in southern French Indo-China of Japanese troops, the first formation of Japanese naval air units, flying over the Mekong River at 11 o'clock this morning, arrived at the new air base in the outskirts of Saigon.—Domei.

Incidents Denied

Saigon, July 31.

Officials of the Japanese mission today denied a report by the National Broadcasting Corporation alleging that scattered incidents took place during the Japanese occupation of southern Indo-China. They said that all garrison points were handed over peacefully without the slightest trouble.

Japanese officials estimated that between 50 and 60 naval units were now concentrated outside Cape St. Jacques. During the night a destroyer and minesweeper docked at Saigon and other transports began arriving this morning.

Occupation of garrison points in the vicinity of Saigon was due to take place today.—United Press.

Naval Planes Arrive

Tokyo, Aug. 1.

Japanese newspaper reports last night stated that Japanese naval air units arrived yesterday at 11 a.m. at an undisclosed air base in the suburbs of Saigon. This was the first announcement of the arrival of Japanese military aeroplanes although Japanese troops have been landing in Indo-China under terms of the "joint defence" agreement with France.—United Press.

More Air Units Arrive

Saigon, Aug. 1.

Following yesterday's first arrival of Japanese air units, a large formation of Japanese Army aircraft landed this afternoon at an airfield situated the outskirts of Saigon.

Joint Statement

Determination to carry out joint defence" of French Indo-China with the fullest cooperation of the Indo-China forces, and the hope that friendly relations between Japan and French Indo-China would be increased, were expressed yesterday in a joint statement issued by the commanders of the Japanese military and naval forces in Indo-China.—Domei.

Singapore Suspends China Remittances

Singapore, Aug. 1.

The Government today officially announced that it had been decided to suspend temporarily permission for the remittance of money to China from Malaya by Chinese families.

The Government added that it "hoped, however, to grant approval in the near future to such remittances, the date and form of which will be dependent upon the desires of the Chungking Government."—United Press.

Burma Not Dealing With Japanese Firms

Rangoon, July 30.

The Government of Burma today ordered the prohibition of transactions with Japanese firms.—Reuter.

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Japan Now Aiming at Thailand

London, July 30.

DESPITE Bangkok's denial of the report that Japan had demanded that Thailand join the new order bloc, well-informed diplomatic circles here today believed that Japan's next move would be aimed at obtaining a foothold in Thailand.

Such a step, if successful, not only would give the Japanese further bases from which to threaten China's Burma Road lifeline but would also place Japan considerably nearer the Burmese oilfields.

Diplomatic quarters stated that Japan already had begun a campaign of indirect hints and complaints against the Thai Government aimed at securing political, military and economic concessions similar to those granted Japan by Indo-China.

They pointed out that the campaign was taking similar lines to that which preceded the demands leading to the Japanese-Vichy agreement.

Radio Allegations

One phase of this campaign, they added, was the radio allegations that Thailand had been threatened with occupation by British naval, military and air forces.

Military and diplomatic observers regarded the Japanese acquisition of the Indo-Chinese aerodromes at Siempreap, Kompongson and Pnompenh as particularly ominous.

They pointed out Siempreap is on the Thai-Indo-China border and the others are close to the frontier.

Time Required

Many experts, however, believe that whether Japan intends her next move toward Thailand or Singapore that it was likely that three months would be necessary to get the Indo-Chinese bases sufficiently prepared with supplies and properly defended before any such action could be taken.

They also said that while Camranh Bay has a fine natural harbour, it is a long way from being a modern naval base and the drydock facilities in the Saigon base are limited to small vessels such as destroyers.—United Press.

Radio Campaign

Singapore, July 29.

An ominous radio campaign not dissimilar to that recently launched by the Japanese press against Indo-China has been started by Tokyo concerning Thailand. During the past 24 hours Tokyo alleged that British troops are moving towards the Thailand frontier, that British warships are patrolling off the coast of Thailand, that strong Anglo-Saxon pressure is being exerted against Thailand and is being supported by the "hostile" Chinese population residing in Thailand, that Britons residing in Thailand have begun to evacuate for Singapore, and that "the fate of Syria" may be meted out to Thailand at any moment.

These allegations are dismissed as complete nonsense in Singapore where attention is drawn to Britain's long record of friendship with Thailand. Britain's attitude may be summed up as not wishing any rights and privileges for herself which are denied to other powers, but also not wishing Thailand to grant any other powers rights and privileges denied to Britain.

This is in fact the object of last year's treaty of non-aggression between Britain and Thailand which is similar to treaties concluded by Thailand with other powers and it remains the basis of British policy towards Thailand.

There is some speculation in Singapore whether Japan's motive in spreading these groundless rumours is to pave the way—in accordance with well-known Axis tactics—for Japanese demands on Thailand.—Reuter.

Thais Confident

Singapore, July 30.

Thailand's complete confidence that she had nothing to fear from Britain and indeed that Anglo-Thai relations were closer and better than ever, was proclaimed in a special broadcast by Bangkok Radio, concerning alleged threats against Thailand.

Economically and strategically, the broadcast said there was no reason for Britain to threaten Thailand, and British troop movements in the Far East were quite natural and were only defensive measures.

Moreover, the broadcast continued, Britain had been in the habit of informing the Thai Government of any movement made, which shows Britain's "frank attitude."

Britain's Word

Thailand recently signed a non-aggression pact with Britain and "Britain has never been known to break such pacts."

Regarding Japan, the broadcast declared that Japan had never threatened Thailand in any way, and that she had no reason to do so, either economically, or strategically.

"If the Japanese want to move south, there is no reason to pass through Thailand, for in so doing Japan would be merely taking a longer route."

"Japan is a peace-loving country. She wants to raise the status of Asiatics, and she wants all Asiatic countries to have full independence. If Japan herself were to come and destroy Thai independence, the broadcast concluded, who in the world will respect her?"—Reuter.

Proposals to Thailand Expected

Bangkok, July 31.

While authoritative quarters deny that Japan has offered Cambodia and Laos as a quid pro quo if Thailand would join her new order, well-informed observers here believe that it is only a question of time before Japan sounds Thailand on proposals of some sort.

They consider it quite probable that Japan will shortly offer Thailand the world-famous Angkor Vaht and the Indo-Chinese province of Laos in the belief that Siam would be very glad to have the former for sentimental reasons and the latter on internal political grounds.

The offer might be subject to two important conditions: 1. Japan shall have virtual monopoly of Thailand's rice, tin and rubber exports. 2 Temporary facilities shall be accorded Japan to use naval and air bases in Thailand.

It is emphasized, however, that whether Thailand would seriously consider such a conditional offer is another question, though her attitude will largely depend on that of Britain and the United States.

Reactions Watched

It is thought that Japan knows better than to assume that the walk-over of Vichy can be repeated in Bangkok, despite the fact that Japanese forces are now in position all along the eastern borders of Thailand. Thai leaders are closely following every facet of the Far Eastern crisis and the latest British and American reactions to it. They are fully alive to the fact that Britain and America would consider acceptance of any condition giving Japan a monopoly of Thai rice, tin and rubber exports as active assistance to a Japanese counter-blockade.

The second condition, in regard to the use of naval and air bases, would be regarded by Britain and the United States as abandonment of Thailand's neutrality.

Even if Thailand were prepared to discuss a modified form of the first condition, she could not easily be persuaded to commit herself on the second.

A Feeler

It is also equally probable that Japan would immediately ask Thailand to recognize Manchoukuo and the Nanking regime. This would be a feeler to see to what extent Thailand relies on the backing of other powers to resist pressure.

Following reports of Japanese pressure on Thailand, a communique has been issued here reaffirming Thailand's foreign policy and declaring that Thailand has met with no pressure, economic or military, from any power, and has no anxiety whatever about being the object of military aggression by any foreign country.

The communique adds that Thailand will not be concerned in any dispute arising outside her borders, but will gladly carry on trade relations with foreign countries with a view to maintaining friendly relations with every country.—Reuter.

Putting Screw On

London, July 31.

All newspapers here today draw attention to the fact that Japan is beginning to put the screw on Thailand in the same way as on Indo-China, with hints, complaints and radio allegations that Thailand is being "threatened by the British."

"Somewhat elastic reprisals," is the "Manchester Guardian" comment on Tokyo's rejoinder to the British, American and Dutch freezing orders.

Drawing attention to the Japanese announcement in New York that interest on sinking fund payments on dollar bonds will be continued, the "Manchester Guardian" says that unofficial Japanese quarters in London have hinted that the service of sterling bonds will probably be maintained if sufficient trade is allowed for the accumulation of sterling balances.

Only Begun

The paper points out that only about £2,000,000 is required every year to keep up payment to British holders, and Japanese financiers are anxious not to spoil the Japanese record for regular payment.

"The new regulations do not, in fact, bar a certain amount of trade on a cash basis, and the embargo on the supply of important raw materials to Japan does not yet apply to oil," continues the journal.—Reuter.

Japan Moving in Thailand

London, Aug. 1.

The situation in the Far East seems to be crystallizing insofar as Thailand is concerned, states Reuter's diplomatic correspondent. Reports reaching London suggest that the Japanese apparently propose to offer the Thailand Government possession of the province of Laos and the ancient city of Angkor in exchange for a virtual monopoly on Thailand's production of rubber, tin and rice, together with the right to use certain naval and air bases.

In other words this would imply an arrangement very like that just concluded with Indo-China although the starting point in this case would not be the fiction of defence from an imaginary aggressor.

News that the Thailand Government has agreed to a financial arrangement with Japanese banks and has officially recognized the Manchoukuoan Government is unlikely to affect larger plans of voracious Japanese imperialists.

Developments have been closely watched both in London and Washington and this will doubtless lead to close collaboration with the Dominions, Netherlands East Indies and China in all appropriate measures dictated by the situation.—Reuter.

Japanese Exerting Pressure

London, Aug. 1.

Reports independently reaching two interested diplomatic quarters but still lacking complete confirmation stated yesterday that Japan has informally suggested to the Bangkok Government that Thailand should agree to accept military cooperation with Japan and enter the East Asia co-prosperity sphere.

In view of reliable indications that the sanctions by the democracies against Japan will continue to allow loopholes for shipments of American and Dutch oil, American and British Indian cotton and several other commodities to Japan, it was doubted here that Japan would go so far into Thailand as to compel the democracies to plug all gaps in the sanctions programme.—United Press.

Thai-Japanese Economic Accord

Tokyo, Aug. 1.

The Ministry of Finance announced at noon that an agreement was reached yesterday between the Thai Banking Syndicate and the Yokohama Specie Bank for the granting of a 10,000,000 baht (approximately Y16,000,000) credit to the Yokohama Specie Bank by the Thai Banking Syndicate.

The credit will be used to facilitate Japanese imports from Thailand, the announcement said.

Meanwhile, informed quarters believe that the credit will serve to revive and maintain normal trade relations between Japan and Thailand which had been interrupted by Britain's freezing of Japanese assets, since the baht is being linked with the pound sterling.—Domei.

Thai Recognizes Manchoukuo

Tokyo, Aug. 1.

The Foreign Office disclosed today that it had received a report from the Japanese Embassy at Changchun that the Thai Government under today's date, had extended *de jure* recognition to Manchoukuo.—Domei.

"First Step"

Bangkok, Aug. 1.

Informed quarters here predicted that the extension of 10,000,000 baht credit to Japan by the Thai Banking Syndicate will be followed sooner or later by the abandonment of the policy of economic dependence upon Britain in favour of voluntary economic cooperation in East Asia with Japan.

It was pointed out that though the baht is pegged to the pound sterling, Thai funds in London have been in fact "half frozen" since the outbreak of the European war which prevented the free use of funds located there.

It was impossible to think Thailand could be threatened or cajoled by British interests into throwing over its economic policy toward Japan.

These quarters emphasized the probability that Thailand would find a new basis for trade relations with Japan calling for a settlement independent of the pound.

It was declared that if Britain insisted on exerting pressure on Thailand because of the loan, the latter would cut loose economic bonds with London to set up an independent policy as a member of the East Asia body of nations.—Domei.

Thai Cabinet Meets

Bangkok, Aug. 1.

Within 24 hours of the usual weekly meeting, which was held yesterday, an extraordinary meeting of the Thai Cabinet was held at the Suankulab Palace, the Prime Minister's official residence, this morning. It is presumed that the latest developments of the Far Eastern situation were discussed.—Reuter.

Thai, British Accord Denied

Singapore, Aug. 1.

The Thailand Consulate-General today denied that any agreement concerning Thai bases had been reached with either Japan or Great Britain. The Consulate-General said that Thailand would not grant bases to any nation.—United Press.

Japan Expected to Go Ahead

Loondon, Aug. 2.

Japan's reported bid for use of Thailand naval and air bases in return for cession of more Indo-Chinese territory to Thailand, yesterday was widely believed here to have been the result of leniency with which the Democracies intend to enforce economic sanctions against Japan.

On the other hand, Tokyo's quick apology to Washington for the bombing of the Tutuila and the offer of indemnity, as well as promises of measures to prevent recurrence of such an incident, was regarded as strong evidence that the Japanese would remain cautious and were anxious to avoid needless provocation of the United States, lest all loopholes in the Democracies' embargos be plugged.

A small minority of experts here, speculating on why Japan apparently is preparing to extend her influence and power over Thailand and risk inciting the Democracies to make fullest use of their economic quarantine, believed Prince Fumimaro Konoye, Premier, expects Japan to feel the full force of the Democracies' measures anyhow, no matter what course he steers.

They said he was evidently assuming an attitude of "after us the deluge," and was seeking to continue the southward drive regardless of the threatened embargo which he assumes to be inevitable.

Likely to go Ahead

Most commentators concluded that Japan herself was likely to make it impossible for the Democracies to pursue a policy of even semi-appeasement, just as Chancellor Adolf Hitler's actions in 1939 frustrated the desire of certain influential Britons to continue appeasing Germany.

The impression prevailed here that continuance of Japanese southward expansion could cause first, lasting and total stoppage of Japanese trade with the Democracies, and second, a British-Australian guarantee—viewed benevolently by the United States—of the Netherlands East Indies against aggression, third, of certain mutual assistance arrangements between the British Empire and China.

There was a growing awareness here that the Dutch could not be expected to enforce economic sanctions against Japan more rigidly than the English speaking powers. There also was growing belief that any risk which the N.E.I. incurs in participating in parallel action against Japan entitles them to greater assurances of support from the Democracies.

Assault Against Russia

Other quarters here were wondering what policies the democracies would adopt if Japan struck against Russia in the north, before expanding her southward push.

Although it has never been made public, the British-Soviet alliance of July 13 popularly was assumed not to apply to the Far East.

An all-out Japanese southward offensive could cut the Democracies from supplies of oil, rubber, tin and other strategic materials from east Asia and threaten isolation of Singapore and security of vast British possessions.

On the other hand, a Japanese assault against Russia might decisively turn the tide of battle against the Soviets on all fronts and improve the chances of ultimate German victory.

Students of the Far East believe that a Japanese southward drive would be a more immediate menace to the British commonwealth but that a Japanese attack on Russia would be far graver and have longer range danger.

Monopoly Sought

Reliable sources here yesterday said in exchange for the province of Laos and the ancient city of Angkor Vat in Cambodia, Japan was asking for a virtual trade monopoly in Thailand, including rubber, tin, rice and the use of Thai naval, military and air bases.

Thailand gained Laos and Angkor Vat from Indo-China as result of Japanese mediation of the border conflict.—United Press.

Japanese Warships Enter Camranh Bay

Tokyo, Aug 2.

Units of the Japanese Fleet on Thursday afternoon sailed into and took over the French Indo-China naval base at Camranh Bay, the influential metropolitan daily "Nichi-Nichi" reported this morning.

According to the paper, Major-General Raishiro Sumita, head of the Japanese Military Mission to Indo-China, first entered the harbour at 7.30 o'clock on Thursday morning to negotiate on entry details with the commander of the base.

After completing arrangements and reaching a complete agreement of views, Major-General Sumita withdrew on the same war vessel in which he made his entry, returning to the base where the main body of the Japanese squadron was stationed, the "Nichi-Nichi" reported.

With flags flying, the Japanese squadron made its formal entry into Camranh Bay in the afternoon.—Domei.

Ships Arrive at Saigon

Saigon, Aug. 2.

Completing the task of transporting advance troops of the Japanese army to bases in French Indo-China, Japanese naval units under the command of Vice-Admiral Masaichi Niimi, Supreme Commander of the Japanese Fleet in French Indo-China waters, steamed back into Saigon harbour at 11.30 o'clock this morning.

It is understood that Vice-Admiral Niimi will call on the Commander of the French Indo-China fleet stationed here, this afternoon to exchange greetings.—Domei.

Britain's Courtesy and Japan's Lack of It

Bangkok, Aug. 1.

Britain's courtesy and considerateness for Thailand is contrasted with the absence of thoughtfulness on Japan's part, in an editorial in the "Supab Burus" which draws attention to the respective procedures adopted by the two powers when moving up their forces towards the Thai border.

The paper says that British authorities have always informed the Thai Government of every military movement near the Thai borders, but that the Government is still without official intimation regarding Japanese troop movements, though a Japanese air base is reported to have been established three miles from the new Thai frontier.—Reuter.

Thai to Recognize Nanking Regime?

Bangkok, Aug. 3.

Although no official demand has yet been received from Japan, informal talks, aiming at Thailand's recognition of Manchoukuo and the Nanking régime are known to have been going on.

Informed quarters believe that once this step has been taken, events are bound to move fast unless some new factor arises in the meantime.

Thailand, it is said, finds herself standing alone. She argues that Britain is already engaged in a life and death struggle in Europe and cannot reasonably be expected to extend her commitments.

The United States would, if she could, guarantee Thailand's independence, but so far there has been no indication that she is willing to do so.

Thailand, as a small power, it is argued, has taken a realistic view of the situation. All the world knows that formidable Japanese forces are now massed on Thailand's eastern borders. Thailand, therefore, must do all she can to remain friendly with her neighbours.—Reuter.

Credit Agreement Signed

Bangkok, Aug. 3.

Announcement was made today that the agreement for a 10,000,000 baht credit to Japan was signed this morning between the Yokohama Specie Bank and the Thai Banking Syndicate which includes the Thai Commercial Bank, the Bank of Asia, and the National and City Bank of Thailand. The agreement will be effective immediately.—Domei.

Thailand Takes Over Parts of Cambodia

Bangkok, July 28.

Major-General Luang Promyodhi, commander of the Thai eastern army, on Sunday led a military parade through Battambang, formally closing ceremonies which incorporated parts of Cambodia and over 300,000 Cambodians into Thai sovereignty.

Major Luang Kowit, head of the Thai delegation, hoisted Thai flags over the administrative headquarters which formerly was the mansion of the French resident. Thirty four years ago the same building was the residence of Chao Phra Abhaibhubesr, Cambodia commissioner and father of Luang Kowit.

Authorities here said that the ceremonies were held "under the most cordial manner" because the French officials were not those in power when the Thai-Indo-China conflict was raging.—United Press.

Battombang Taken Over By Thailand

Battombang, Thailand, July 30.

A large number of picturesquely attired Cambodians witnessed the hoisting of the Thai tricolour by the Thai Cabinet Minister Major Luang Kovid Abhaiwongse over what was once the palatial home of his childhood days and, till Monday evening, occupied by the French Resident Superior.

The function signalized the actual restoration of Thai sovereignty over 64,000 square kilometres of Indo-China territory with a population of 400,000, given back to Thailand under the Tokyo Treaty.

Thirty-four years ago Kovid's father performed the melancholy duty of hauling down the Siamese flag over the same spot when he handed over Battombang to the French.—Reuter.

Navy Ministry Welcomed In Batavia

Batavia, July 30.

The Netherlands East Indies Navy Commander-in-Chief Vice-Admiral C. E. L. Helfrich, in an interview with Aneta, N.E.I. news agency, hailed the re-establishment of the Netherlands Navy Ministry, citing the importance of the task of the Royal Navy which can be used everywhere in the world. The war would underline its significance, he said.

Vice-Admiral Helfrich was greatly pleased by the appointment of Vice-Admiral Furstner, whose driving power is well known.—Reuter.

Indo-China Press Stops Onti-British Campaign

Hanoi, Aug. 2.

The anti-British campaign disappeared suddenly from the Indo-China press yesterday.

It is officially contended that disembarkation of Japanese troops is proceeding according to plan, without incident.

Yesterday the Governor-General, Vice-Admiral Jean Decoux, received in audience Dr. Hans Bidder, Counsellor of the German Embassy in Chungking, who has just arrived overland with three other members of the Embassy staff.

Thailand is due to complete the occupation of the ceded territories of Cambodia and Laos today. No incident has been reported.—Reuter.

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FAR EASTERN CRISIS (continued)

Britain, U.S. Pursuing Parallel Course in Far East

Washington, July 29.

MR. Sumner Welles, United States Acting Secretary of State, at his press conference today intimated that the United States and Britain were pursuing a parallel course in the Far East and would frequently confer on their objectives.

Mr. Welles added that the United States and Britain would frequently exchange views with other independent nations interested in the Far East.

He declined to elucidate the policy of the United States with regard to oil shipments to Japan under President Roosevelt's freezing order.

Mr. Welles denied that there was any agreement to take the total Mexican oil production, but said he was optimistic about the future settlement of oil, and other problems, between the United States and Mexico.—Reuter.

Halifax Sees Welles

New York, July 29.

Lord Halifax, British Ambassador to the United States, called upon Mr. Sumner Welles, Acting Secretary of State, at Washington, for the purpose of discussing economic measures to be taken against Japan.

He told a press conference that a review of the Far Eastern situation was intended in the light of the Japanese move into Indo-China, and the swift retaliatory measures by the United States and British Empire countries.—Reuter.

Parallel Action Welcomed

Washington, July 29.

The United States would welcome parallel action by other American nations in economic control measures against Japan, the Acting Secretary of State, Mr. Sumner Welles, intimated yesterday.

Stressing that Latin-American countries were free to act in any way they deemed advisable, he cited steps already taken to ensure access by the United States to Latin-American defence materials and to prevent the re-export of such goods from the United States.

Asked specifically about the possibility that Venezuela might refuse to sell oil to Japan, Mr. Welles replied that it was solely a question for Venezuela to decide.—Reuter.

British Press on Far Tast Crisis

London, July 29.

The economic reprisals of the Democracies against Japanese aggression in the Far East are commented on in several editorials this morning.

Adhesion of the Dutch East Indies and consequences on Japanese trade were particularly mentioned.

The "Daily Telegraph" writes that the movement of Japanese troops into Indo-China was carried out with full knowledge of the consequences entailed, and adds that, as was realized, her leaders are in too reckless a mood to listen to any counsels of prudence. Yet there must be many sober minds in Japan who view the prospect with profound misgiving.

Ring Round Japan

With the adhesion of the Netherlands East Indies to the Anglo-American measures, the ring round Japan is virtually complete, continues the paper. She is henceforth almost completely dependent on what she can get from Manchoukuo, China and French Indo-China, all of which are notoriously deficient in certain vital materials of war, especially oil.

Referring to Japanese counter-action, the newspaper says it is difficult to see any road to escape from the stranglehold. Even resort to war could not help unless she had naval command of the China Seas and could seize and hold the East Indies and Thai.

It remains to be seen, the paper adds, whether the new embargo will drive her into open conflict with the Democracies.

The "News-Chronicle" writes that Japan has been piling up war stocks as hard as she could during the kid-glove era, and she is not likely to wait until these become depleted before making a final bid for domination in the Far East. It is soon or never. If she decides to stake her future on a Pacific gamble she will find the Democracies ready.—Reuter.

N.E.I. War Fund

Batavia, July 29.

Joint war funds yesterday again remitted to London the sum of 676,450 guilders for purchase of war materials to strengthen Netherlands forces in England with a second motor torpedo boat, a third fighter to be named Middleburg and one more Spitfire.

The Netherlands East Indies population is determined to continue to provide the Netherlands forces in Great Britain with an uninterrupted flow of fighting material in order to increase the actual Netherlands war effort which has already been greatly praised abroad.—Reuter.

Senate Approves MacArthur

Washington, July 29.

The Senate yesterday unanimously approved appointment of Lieutenant-General Douglas MacArthur as commander of United States Far Eastern forces.

The unanimous vote, observers also said, was a clear cut victory for the Administration, since it was looked upon as a test of Senate approval or disapproval of President Roosevelt's Far Eastern policy.

Lt.-Gen. MacArthur was former Chief of Staff of the U.S. Army and more recently has been military adviser to the Philippines Commonwealth.

Warning to Japan

The "Washington Post" in an editorial yesterday said that appointment of Lieutenant-General Douglas MacArthur as commander of United States Far Eastern forces was a warning to Japan.

"President Roosevelt's action in placing the Philippine land and sea forces under United States command for the duration of the emergency is a further warning to Japan, if any more were needed, that this country intends to defend its Far East interests with all the resources at its command," said the "Post."

The "Baltimore Sun," in an editorial, said that orders to the Philippine Army were "likely to impress Japan and just possibly exert some sobering influence on Tokyo at a moment when sobriety of outlook and decision are most needed in the Far East."

The Philippines, together with British and Dutch bases, form a quadrilateral defence zone which even the most ambitious Japanese strategists are bound to respect, said the "Sun."—United Press.

MacArthur Takes Over

Manila, July 29.

General MacArthur took over command yesterday of U.S. armed forces in the Far East from headquarters located in the ancient Spanish Fort Alice, in the heart of the walled city here, after a conference with Mr. Manuel Quezon, at which it is believed the question of the incorporation of Philippine forces into United States services was discussed.

It is believed that organized units, including the first regular division of the Philippine Army and the Philippine Constabulary, will be first incorporated.

Quezon Pleased

Mr. Quezon, telegraphed Colonel Henry L. Stimson, U. S. Secretary of War, voicing gratification over the appointment of General MacArthur and repeating his pledge of loyalty and co-operation to the United States.

It is significant to note that the mayors of the Socialist communities of Pampanga, known as the Philippine "Red Belt," jointly made a statement, pledging loyalty to the United States, and their readiness to fight under the leadership of General MacArthur against all foes of Democracy.—Reuter.

Philippines Secure Rice from Burma

Manila, July 28.

The Secretary of Finance, Sr. Manuel Roxas, today revealed that the Philippine Commonwealth Government was negotiating the purchase of 150,000 sacks of rice from Burma to off-set a possible shortage of domestic corps as well as a precaution for any emergency.—United Press.

Japan's Concessions in N.E.I. Unaffected

Batavia, Aug. 1.

The oil concessions given Japan for development and exploitation and eventual delivery of oil to Japan will remain unaffected pending the start of the general licensing system, it was learned today.

Authoritative quarters said that economic sanctions by the Netherlands East Indies against Japan will be parallel to the Anglo-American moves.

The issue of special licences, including those for oil, has been shelved for the time being.

Well-informed Dutch sources told the United Press, "We have plenty of time to arrange the licensing and facilitate licensing, especially for oil."—United Press.

Japanese Concentrate In Manchoukuo

London, Aug. 3.

Authoritative quarters asserted yesterday that Japan had sent heavy troop reinforcements to Manchoukuo last week and claimed that Japanese forces in Manchoukuo and Korea were being disposed as if they might attack Vladivostok. These sources said that many reinforcements were being sent from Japan while other contingents were being brought northward on the Asiatic mainland. It was believed that most of the reinforcements were being disposed along the Amur river, which forms the boundary between Manchoukuo and Siberia, in order to neutralize the powerful Russian forces there, while preparations were being made to attack Vladivostok. Authoritative sources asserted the Germans were trying to persuade Japan to create a disturbance on the Siberian front.—United Press.

Lieut.-Gen. Iida to Command Japanese

Tokyo, July 31.

Lieut.-General Shojiro Iida is the Commander-in-Chief of the Japanese forces which were sent to French Indo-China under the terms of the protocol between France and Japan for "joint defence" of French Indo-China, the Army Section of Imperial General Headquarters announced this morning.

The communique reads: "Additional Japanese military forces, sent to French Indo-China under the terms of the agreement with France for joint defence of French Indo-China, have landed around and near Saigon in cooperation with the Indo-China army since July 19. The Commander-in-Chief of the Japanese military forces in that part of French Indo-China is Lieut.-General Shojiro Iida."

Career of New G.O.C.

Lieut.-General Iida was commissioned as a sub-lieutenant in 1908 and following his graduation from the Military Academy, graduated from the Military Staff College in 1915. After his return from his European trip, he was appointed instructor of the Military Academy, and then served as Regimental Commander, Divisional Chief Staff Officer and Director of the Recruitment Bureau of the War Office.

He was assigned to a field post in 1938, then Divisional Commander and again assigned to a field post in 1939.—Domei.

Iida Arrives

Saigon, July 31.

Lieut.-Gen. Shojiro Iida, Commander-in-Chief of the Japanese reinforcements to French Indo-China, arrived here yesterday morning, being welcomed by Mr. Fujio Minoda, Japanese Consul-General, and residents of the city.

At 2 o'clock yesterday afternoon, French Government, military, and naval authorities at Saigon paid courtesy visits on General Iida.

Meanwhile, it was learned that two Japanese detachments which landed at Saigon left at 6.30 o'clock this morning aboard a number of trucks which took them to an unannounced destination. They arrived at 8 o'clock this morning.—Domei.

No Desire to Complicate Situation—Decoux

Hanoi, Aug. 1.

In an exclusive statement to Reuter, Vice-Admiral Jean Decoux, Governor-General of Indo-China, declared that Indo-China would continue, as far as possible, to maintain with Hongkong and Singapore, and other parts of the ABCD front, Far Eastern economic relations dictated by her essential needs and geographical position.

Indo-China, Vice-Admiral Decoux said, requires from these countries certain primary necessary supplies which, even now, are obtainable only in insufficient quantities, and with considerable difficulty.

Emphasizing the intention of the Indo-China authorities and population faithfully to carry out the Vichy Government's policy, Vice-Adm. Decoux maintained that Indo-China would do nothing which might complicate the international situation in the Far East.

While declining to answer specific questions concerning the new Franco-Japanese accord which, he maintained, came only within the competence of the Home Government, the Governor declared that Indo-China would execute loyally the recent agreements concluded between France and Japan.—Reuter.

Burma Stops Dealings With Japanese

Bombay, Aug. 1.

The Government of Burma issued an order today prohibiting all transactions with Japanese firms.—Domei.

No Immediate Drive on Singapore Anticipated

Singapore, July 30.

ALTHOUGH the Far Eastern situation yesterday again was providing material for worldwide forecasts regarding Japan's next move south, there was virtually no change in the outlook here.

There was only increased evidence of greater preparedness and a grimmer determination to hold the entire Malay peninsula should an attack ever eventuate—which a large majority of the population considers improbable.

Many competent observers also voiced the urgency for still stronger retaliation to any additional Japanese move.

There definitely were no jitters in any section of Singapore's population, but only some disappointment at indications the Anglo-American financial chastisement of Japan may be applied with too light a hand.

Informed sources said that reports, such as Washington's prompt clearance of Japanese ships in London's indications that restrictions will be lightly applied show there are many loopholes which will enable Japan to laugh at freezing orders, because "it is unhappily true that in all countries there are vested interests tending to place profits before patriotism."

Populace Confident

Defence chiefs here apparently found nothing in the current situation warranting additional authoritative comment to the recent sparse issue of official communiques. Lately such communiques have been confined entirely to descriptions of local naval and military accommodation, comforts and amusements, while apart from Saturday's freezing notification civilian authorities did not issue any additional defence regulations.

The populace generally believed that Malaya would not be affected even though Japan persists in expansion because any potential attackers would find a Malayan adventure most expensive because of formidable defences, particularly in the air force.

However, everywhere it was agreed that defences never can be strong enough and must unceasingly be strengthened not only in Malaya itself but also in outlying areas such as Borneo and Sarawak.

The British, furthermore, realize the value of maintaining the sovereignty of Thailand and the Netherlands East Indies.

New Defences

Additional defence measures were announced yesterday in the Sarawak official gazette, including the declaration of Kuching and Miri as defence areas and also formation of a special coast guard. Malaya defence chiefs also openly talked of extension of defences from Burma to Borneo: not only in air bases but also in coastal batteries, which should be reinforced by the strongest artillery, it was said.

Upcountry reports indicated that powerful imperial forces were spread out over the entire peninsula and now had become hardened and experienced jungle warriors. A Highland regiment recently completed over a 100 mile march through jungle country in eight days without casualties.

Malaya's formidable air power is fractionally demonstrated here daily when squadrons of high speed fighters and heavy bombers zoom above the city in formation. (Twenty one American made Brewster Buffalo fighters screamed over the business district at this despatch was being written.)

Navy's Role

Simultaneously, the British Navy's unsung role in Malaya's defence was obvious through the steady arrivals of vessels, including transports, from the United Kingdom. Crewmen and passengers said that naval escorts were available for every mile of the voyage which lasted almost two months.

It was understood that the War Department and the Admiralty have gradually been reestablishing regular trooping to relieve personnel in Far Eastern military and naval stations.

A large section of the present Malayan garrison is composed of youthful veterans of Dunkirk, Benghazi, Greece and Crete, and also many airmen seasoned by the Battle of Britain.

Surprisingly Strong

Some of these expressed surprise to the United Press at the extent and strength of Malaya's defences which "are enough to halt any funny business here, just as in England."

The concensus of informed opinion here was that Japan had been given prior assurances she would not meet opposition while entering Indo-China. It was also believed that Japan's greatest concern was to get out of the China war, and therefore it was considered highly unlikely she would chance anything which might draw her into a bigger conflict.

Informed sources said that in the event Japan endeavours to "protect" Thailand or the Netherlands East Indies she certainly would encounter "serious trouble" hence it was believed that Japan, knowing this, would not chance war in an effort to occupy either country—as long as the democracies continue to gain the upper hand in Europe.

U.S. Determination

Malaya's security has been enhanced further by the United States decision to fortify its Pacific possessions and also through incorporation of the Philippine Army into American Far Eastern defences. Observers believe that these moves constitute increasing evidence that the United States intends to place its entire Pacific forces at the disposal of the democratic defences in the event the Far East Axis partner decides to emulate its European partners in military aggression.—United Press.

No Oil Agreement

Batavia, July 30.

Regarding Japanese reports of the abrogation of the "1940 petroleum agreement," it is authoritatively stated here that there is no such agreement.

A certain agreement was concluded between oil companies which, however, since Monday, lost its effect owing to the dollar payment clause, it is added.—Reuter.

R.A.F. Strength In Burma

Singapore, Aug. 1.

The Royal Air Force in Burma has been greatly strengthened by recent acquisition of the latest American fighters and now has a chain of modern aerodromes available among the jungles, the R.A.F. officially announced here today.

The R.A.F. units stationed in Burma have acquired the American Brewster multi-gun fighters and therefore are now equipped for both offensive and defence aerial action, the announcement revealed.

The Brewster Buffalo is a favourite of the R.A.F. because of its speed, its powerful armaments and its extremely easy manœuvreability.

Chain of Aerodromes

For the last few months thousands of men and women from the mountains in the Shan states have been constructing in the jungles a chain of aerodromes between the coast and the frontiers of China and Thailand, from Lashio to Mergui, the last of which now has been completed, the official announcement disclosed.

All of the aerodromes are equipped with all-weather runways, which are even suitable for taking off by heavy bombers fully loaded. A plant for the care and maintenance of the aircraft also has been completed in addition to comfortable quarters for crews and mechanics.

Advance Bases

The aerodromes, the official announcement added, are located in such areas as to provide the maximum protection to Burma against air attacks from any quarters and at the same time afford the R.A.F. advance bases from which to hit back with bomber squadrons and also afford greater mobility for the R.A.F. based in the Far East.

"Air Marshal Sir Robert Brooke-Popham, Commander-in-Chief of British Far Eastern Forces, in the event of war spreading to Malaya, will be in position to move squadrons to Burma in a few hours and thus have the forces where they can serve to the best advantage," the announcement said.

Buffalo fighters have been arriving across the Pacific from the United States, increasing the few which reached Malaya last month, thus enabling the R.A.F. fighter squadrons to be speedily strengthened.

Fighter pilots from Spitfire and Hurricane squadrons in England form the nucleus of the Far Eastern fighter squadrons. All of these experienced pilots are unanimous regarding the Brewster Buffalo's amazing qualities, its manoeuvreability and its multiple, large calibre machine-guns.—United Press.

Coloured Petrol

Batavia, July 29.

Coloured petrol will soon be introduced into the Netherlands East Indies when oil companies will follow the example of American companies which started the practice several years ago. Coloured petrol has certain advantages mainly connected with storing and shipping. Countries which are importing petrol from the Netherlands East Indies also will get the coloured product.—Reuter.

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Indo-China Events Made Public

Hanoi, July 30.

With the official announcement that 40,000 Japanese troops are now landing in southern Indo-China and that eight aerodromes are to be placed at Japan's disposal, it is now possible to give an account of recent events affecting the French colony.

The first thing that emerges is that the agreement originated and was concluded in direct negotiations between Vichy and Tokyo, only details of its application being discussed at Hanoi. Mr. Kato, Japanese Ambassador, and Admiral Darlan are said to have held their crucial meeting on July 19, the agreement being signed at Vichy last Tuesday. Admiral Decoux, Vichy's Governor-General here, saw Major-General Sumita, head of the Japanese military mission to Indo-China, three times before agreement was reached on the practical application of the accord last Wednesday evening.

After that the Japanese moved quickly, while carefully guarded press announcements informed the Indo-China public of the trend of events.

Naval Concessions

Major-General Sumita left Hanoi for Saigon by plane on Saturday leaving only a skeleton staff representing the Japanese mission behind him. There has been no mention of naval concessions under the agreement, but it is popularly supposed, and not officially denied, that the Japanese will be permitted to station a limited number of warships at Camranh Bay, Saigon and Cap. St. Jacques.

Although Camranh is one of the finest natural harbours in the world, its port facilities are restricted.

The frequent references to the "joint defence" of Indo-China and the anti-British campaign raging in the press and wireless here for the last few days seem to indicate where Indo-China stands, although it is emphasized that no threat is directed to any country. . . .

Centre of Interest

The centre of interest now moves to Saigon and the surrounding area, where a new distribution of military forces involved in the "defence" of the colony is being worked out. Simultaneously, the boundary commission is completing details of the recent session of territory by Indo-China to Thailand. The former German Consul in Indo-China arrived at Saigon yesterday to participate in boundary commission's consultations.

It is emphasized at Hanoi that the facilities being granted to Japan in southern Indo-China are purely tactical, as the terms of the economic agreement between Japan and Indo-China have been and are being faithfully observed.—Reuter.

U.S. Officers Go to Philippines

Washington, Aug. 3.

The War Department yesterday assigned 25 officers ranging from lieutenants to lieutenant-colonels to the Far East in order to strengthen the United States Army forces in the Philippines.

The group included seven field artillery officers, consisting of four lieutenant-colonels, a major, captain and lieutenant. Three of the foregoing lieutenant-colonels and the major will sail on September 18 from San Francisco.

Four captains and 14 lieutenants of the Coast Artillery Corps were ordered to sail from San Francisco on August 30. They will be accompanied by the other three field artillery officers.—United Press.

No N.E.I. Licences to Japan for Time Being

Batavia, Aug. 1.

It was reliably learned today that the Netherlands East Indies for the time being is not issuing licences for exports to Japan regarding which, it was pointed out, a licensing system was established last week, placing all trade with Japan under Government control, including deliveries under the Japanese-Dutch oil agreement.

Mr. H. J. van Mook, Director of Economic Affairs, said that the granting of export licences was subject to the situation in the Pacific, and added that he was unwilling to commit the Administration to a course of action in the immediate future.—Domei.

Ships Require Permits To Enter N.E.I. Ports

Batavia, July 30.

The Commander-in-Chief of the Army today issued a decree that all ships must obtain permits for bunkering, provisioning, docking and for making repairs in N.E.I. ports.

Generally these permits will be granted to ships sailing under "friendly flags." The permits will be issued by the N.E.I. Navy directly or through the local civil service and can be obtained by ships' agents.—United Press.

Sterner Action Against Japan Urged

Singapore, Aug. 1.

The British press today renewed demands for harsher anti-Japanese action, pointing out that Japan was "frightened to death" by the possibility of the Democracies waging their economic war to the fullest extent.

The "Straits Times" said, "Japanese propagandists appear to have read the signs aright when they declared that the Anglo-American blockade announced following the move against Indo-China would prove to be an occurrence of minor importance.

"There is much evidence in the cables of the past few days supporting fears that the economic warfare against Japan is not being conducted with all the vigour with which the Democracies are capable. . . There is obvious restitution and Japan already is intimating her readiness to bargain and is ready to apply her own retaliatory measures proportionately in severity to the anti-Japanese restrictions," the journal added.

"Frightened to Death"

"Japan is frightened to death as to what will happen should the Democracies wage the economic war to the fullest extent.

"Unfortunately, decisions affecting the Far East are left in the hands of people having no knowledge of the psychology of the Far Eastern peoples . . .

"We know that any moderate attitude will only be regarded as a sign of weakness and the signal for a step further in the seizure campaign . . .

"It is quite time we put the horse before the cart for a change. Let us apply this economic blockade with the utmost vigour. Peace much likelier will be preserved in this part of the world by playing a strong hand than by temporizing."—United Press.

Thai's Position Viewed Gravely in Singapore

Singapore, Aug. 3.

The situation in Thailand is regarded here as extremely grave. There is no disposition to minimize the significance of reports emanating from Bangkok indicating clearly that with Japanese forces massed along her borders Thailand must be "realistic" and that events may be expected "to move fast" unless America or America and Britain guarantee Thailand's independence.

Britain has only recently made clear that her policy vis-à-vis Thailand is to request no special rights and privileges for herself but to see that no rights and privileges not granted to Britain are granted any other power. What action Britain would take if any special rights and privileges were granted to Japan is naturally a closely guarded secret. Presumably, however, the extent of Britain's reaction would depend on the rights and privileges that might be granted.

Comment Withheld

Official circles here decline to comment on such hypothetical future contingencies, stressing that in a matter of this gravity the War Cabinet alone is in a position to make Britain's position clear.

Chinese circles maintain that although possible provision of Japanese bases in Thailand would not materially increase Japan's threat to Burma and Malaya, such bases would nevertheless materially affect China, Britain's first line of defence against Japan. From bases in Thailand, these circles argue, Japan could, within a very short time, completely cut the Burma road which is China's very life-line now that the Soviet Union is involved in a life and death struggle, and is, therefore, only able to help China to a limited degree.

The issue now facing Britain and the United States, these circles add, is whether they can view with equanimity the prospect of this life-line being cut at the present stage —Reuter.

Bangkok Not Surprised

Bangkok, Aug. 2,

The announcement of the Japanese Finance Ministry regarding a credit of 10,000,000 baht to the Yokohama Specie Bank from a Thai banking syndicate came as no surprise to bankers here, as there were persistent rumours of intense behind-the-scene activities in the past two days.

One of the direct results of the British and American freezing order has been a sharp drop in the rubber market.—Reuter.

French Ship Stopped

Batavia, Aug. 3.

The French steamer Dupleix, coming from Indo-China, has been intercepted by a Dutch warship and conducted to Tandjungpriok for further inspection of her cargo.

The Dupleix is a vessel of 7,135 tons. Her port of registry is Le Havre and she is owned by Chargeurs Reunis.—Reuter.

Japan Faces Formidable Force in Far East Today

Honolulu, Aug. 3.

Major-General Edward Grasett, former Commander of British troops in China, declared yesterday that Empire forces in the Far East and the South Pacific were prepared to take action against any aggressor at any time.

Passing through here abroad a commercial vessel en route to England to receive a new command, Major-General Grasett declared that Japan would have met little opposition in Asia last year when France collapsed but said it was too late now for Japan to move.

Picture Changed

Pointing out that Japan could easily have taken over all of Indo-China last year, Major-General Grasett declared that "Hongkong was not strong then, Thailand was undefended, Malaya was virtually unprepared and so were Burma and the Netherlands East Indies, but the picture is entirely changed today."

He said that the Anglo-American-Dutch coalition had produced a formidable force and the East Indies were ready for any trouble. He added that thousands of Australians were trained to defend Malaya clear to the Siamese frontiers "and north of Indo-China we have built well-nigh impregnable defences at Hongkong."—United Press.

Japanese to Fortify Camranh Bay

Tokyo, Aug. 4.

The "Nichi Nichi's" Saigon correspondent today reported that the Japanese Navy would fortify Camranh Bay in Indo-China as a base for operations against the ABCD (America, Britain, China, Dutch East Indies) encirclement.

The vernacular press continued to give increasing attention to alleged Anglo-American and Chinese efforts to bring the Soviets into the encirclement bloc.—United Press.

Australian Troops Arrive in Burma

Rangoon, Aug. 4.

Picked men from British and Australian troops in Malaya arrived in Rangoon yesterday afternoon to undergo intensive training in bush warfare.

The contingent will be joined in Burma by selected men from newly-formed independent companies and will proceed to school "somewhere in Burma" to receive training which will enable them to make lightning movements through enemy country.

The Abyssinian campaign furnishes examples of the brilliant successes of such independent units.

Burma is able to provide every sort of terrain suitable for training in bush warfare.

The arrival of the contingent from Malaya and the setting up of a special school mark the close collaboration existing between the various commands in the Far East in defence against aggression.

The Australian contingent, the first armed unit from a dominion to arrive in Burma, were welcomed aboard the steamer by the G.O.C., Lieut.-General D. K. McLeod.—Reuter.

Export Licences Given Japan by N.E.I.

Batavia, Aug. 4.

Netherlands East Indies authorities have agreed to extend export licences to Japan for goods such as oil, rubber and tin, payment arrangements for which were settled prior to the N.E.I. action freezing Japanese assets, it was learned.

On the other hand, Japanese residents in the Netherlands East Indies who were affected by the freezing order reportedly were being allowed to withdraw part of their accounts to cover payments for salaries, telegram fees and rentals, on presentation of detailed claims to their banks.

Meanwhile, it was understood that unofficial talks regarding arrangements for future Japan-N.E.I. trade were now being conducted between Mr. Yoshitoshi Imagawa, Batavia manager of the Yokohama Specie Bank, and Mr. Buttingha Wichers, President of the Java Bank.—Domei.

Second Group Border Committee at Saigon

Saigon, Aug. 4.

The second group of Japanese delegates to the Thai-French Indo-China Border Delimitation Committee headed by the Japanese consul at Saigon and eleven other technical experts arrived here at 5 o'clock this afternoon abroad the Japan airways seaplane Makigumo.—Domei.

NEWS FROM JAPAN

Toyoda Apologizes for Tutuila Bombing

Tokyo, July 31.

ADMIRAL Teijiro Toyada, Foreign Minister, today paid a special call on Mr. Joseph C. Grew, United States Ambassador, and expressed Japan's regrets for the damage done to the United States gunboat, Tutuila, at Chungking yesterday during a Japanese air raid on the Chinese capital.

Admiral Toyoda, after expressing Japan's regrets for the incident, which aroused great indignation among Congressional quarters in Washington, informed Mr. Grew that special steps had been taken to avoid any similar incidents in the future.

The Foreign Minister said that new urgent orders had been sent to all commanders of Japanese forces abroad to avoid the damaging of American property.

Admiral Toyoda's visit this afternoon followed an earlier visit to the American Embassy by the Vice Foreign Minister, Mr. Kumaichi Yamamoto, who also expressed Japan's regrets for the incident.

20 Minutes' Talk

Mr. Yamamoto expressed regrets over the incident on the basis of an incomplete Japanese report on the bombing of Chungking yesterday.

Admiral Toyoda conferred with Mr. Grew for 20 minutes at the United States Embassy regarding the incident.

A flight of 26 Japanese planes yesterday dropped bombs over the so-called "safety zone" in Chungking, damaging the Tutuila, the Standard-Vacuum installation and a building belonging to a member of the United States Embassy, Chungking reports said.

The United States had made representations to Japan prior to the Japanese expression of regrets for the incident, in which bombs landed very close to the Tutuila but fortunately only slightly damaged it and a motor-boat anchored astern. Representations were made at Washington yesterday.—United Press.

Congressmen Angry

Washington, July 31.

Angry Congressmen yesterday denounced the Japanese bombing of the American gunboat, U.S.S. Tutuila, during a Japanese air raid on Chungking, and demanded immediate retaliation against Japan by the United States.

The United States government, also lodged representations with the Japanese government over the bombing.

Navy Department reported that damage to the Tutuila was only superficial and that there were no casualties among the crew. The Navy also advised that "one outboard motor boat was shattered by a bomb landing close by and the superstructure of the stern was bent inwards by the explosion of another bomb."

Congressmen termed the bombing "deliberate provocation warranting immediate retaliation." Congress echoed with a chorus of demands that the United States forcefully express displeasure.

Mr. John W. McCormack, Democrat of Massachussetts and House Majority Floor Leader, called the bombing an "act of hostility clearly demonstrating that Japan now is the front for Hitler in aggressive moves against the United States.

"Deliberate Act"

"There is no question but that the act was deliberate," said Representative McCormack. "It was a very serious act of provocation. The Government cannot permit such things to pass unnoticed."

Representative Luther Johnson, member of the House Foreign Affairs Committee, said "they (Japanese) have gone far enough."

"This incident demands an end to the Administrations' policy of appeasing Japan." Representative Coffee said.

Representative Sam Rayburn, Democrat of Texas and Speaker of the House, used the incident as a strong argument for quick passage of legislation allowing the President to keep citizens-soldiers in service for duration of the emergency.

Representative Rayburn said that Japanese aggression, including occupation of Indo-China and particularly the bombing of the Tutuila, had won over hitherto reluctant support for extension of the enlistment term of selectees.

May Change Feeling

Senator Elbert D. Thomas, Democrat of Utah and expert on Far Eastern affairs, during a Senate debate said that the United States embassy had been the target of an air squadron. Without naming Chungking, Senator Thomas said that the incident "may change the feelings of the people, especially those responsible for the Government. Let us keep our house in order."

Meanwhile, it was reported that Admiral Kichisaburo Nomura, Japanese Ambassador to Washington, had insisted that the Tutuila bombing was accidental.

Authoritative sources here expected Japan to play an opportunistic role, awaiting signs of weakness before attempting moves against Russia, Malaya or United States possessions in the Far East.

Japan was pictured as weakened by the five year China campaign but compelled to keep going. Japan's next move was expected to be determined by the result of the Russo-German war or developments in the Dutch Indies, said congressional observers.

Representations Made

Mr. Sumner Welles, Under-secretary of State, announced that the representations had been made during a press conference called shortly after Admiral Kichisaburo Nomura, Japanese Ambassador, had called on Mr. Welles.

The Under-secretary refused to describe the representations as a "protest" but they were interpreted as indicating that the United States viewed the Japanese attack on the American flag seriously.

Mr. Welles said the United States Government was advised yesterday morning that a fleet of 26 Japanese bombers dropped bombs near the Tutuila and the United States Embassy in Chunking.

He said that at present he did not wish to comment except to call attention to the fact that the Embassy and the gunboat are on the opposite bank of the Yangtze river from Chungking proper.

Reports from Chungking said bombs fell close to the Tutuila and also exploded near the American Embassy. The Tutuila's motor-boat, anchored directly astern, was damaged by a Japanese bomb. The vessel was anchored in the so-called "safety zone" on the south bank of the Yangtze river.—United Press.

Regrets Expressed

Tokyo, Aug. 1.

Japanese officials yesterday expressed to the United States Ambassador, Mr. Joseph C. Grew, their regret for damage done to the American gunboat, Tutuila, at Chungking Wednesday during a Japanese air raid.

The Chief Aide of Admiral Koishiro Olkawa, Navy Minister, called on Commander Henri Smith-Hutton, American Naval Attache, and expressed regret for the bombing.

Earlier, Admiral Teijiro Toyoda, Foreign Minister, asked Mr. Grew to call on him and at that time expressed regrets for the bombing. The Embassy announced at the last minute that the Foreign Office had asked Mr. Grew to call on Admiral Toyoda, although previously it was announced that the Ambassador would visit the American diplomat.

Mr. Grew took advanage of the meeting to protest against the strict Japanese censorship. The Vice Foreign Minister, Mr. Kumaichi Yamamoto earlier yesterday called on Mr. Grew and expressed regrets for the bombing.—United Press.

Japanese Press Ban

Tokyo, Aug. 1.

Mr. Koh Isnii, Deputy Spokesman of the Information Board, told foreign correspondent today that the Foreign Minister, Admiral Teijiro Toyoda, conferred yesterday with Mr. Joseph C. Grew, United States Ambassador, regarding the Tutuila affair. He refused to divulge details, however, and said that Admiral Toyoda was at present waiting for an official report.

The Deputy Spokesman denied that Japan was enforcing general censorship of outgoing cables when questioned as to whether or not the censoring of cables was being enforced. He admitted, however, that all news regarding the Tutuila affair had been banned from publication domestically.

He asserted, "All outgoing press messages regarding the Tutuila affair, however, have neither been banned nor censored," and added that if there was any hitch in the handling of outgoing press cables, it may have been due to some misunderstanding between the Communications Ministry and the Foreign Office.

Mr. Ishii stated that a "ban on the Tutuila affair was being enforced by the Japanese press until the matter becomes fully clear."—Domei.

Relations with Russia 'Unchanged' Japan Times

Tokyo, July 29.

It has been officially indicated that the relationship between Japan and Soviet Russia remains unchanged, declared the "Japan Times and Advertiser" in an editorial today.

The paper claimed that the present basis of Japanese-French relations was the active co-operation of French Indo-China in establishing such a sphere.

The journal admitted that the "Vichy Government at first was not quite ready to fall in with this scheme. However, the altered condition of world affairs since had enabled France to decide on her participation in the Japanese scheme through her Far Eastern colony."—Reuter.

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NEWS FROM JAPAN (continued)

Britain, U.S. and China Attacked

Tokyo, July 31.

THE "Nichi Nichi Shimbun," charging that the tri-power offensive by Britain, the United States and China was becoming more aggressive toward Japan, today asserted that "the waves of the super-crisis period threatening to overwhelm Japan's surroundings have become higher, a fact which the 100,000,000 people of Japan should be reminded of with stronger emphasis."

The "Nichi Nichi," quoting Thai newspapers, declared that the tri-power military alliance was "making considerable progress." It charged that under this alliance, the following provisions would be carried out:

1. Britain will send munitions to Chungking from India and Burma with Singapore as the base;
2. Aircraft assembling plants will be established in India, Burma and Singapore with the planes to be offered to Chungking;
3. Chinese residents and natives of the South Seas will be induced to support the alliance;
4. Simultaneous with Britain's declaration of war on Japan, Chungking's Central troops would be sent southward to fight under Sir Robert Brooke-Popham, Commander-in-Chief of all British forces in the Far East. —United Press.

"Open Door" Being Closed

Tokyo, July 31.

The "Kokumin Shimbun," in an editorial commenting on Japan's position of "glorious isolation," maintained that the recent British, American and Dutch measures in putting economic pressure against Japan were prompted by their desire "to internationalize the character of the China hostilities."

The "Kokumin" asserted that America was acting contrary to her avowed doctrine of the Open Door in freezing assets and abrogating the commercial treaty, while Britain's suspension of the trade and navigation treaty was proof that she intended "to close the door completely."

Regarding Netherlands East Indies' action in following Anglo-American leadership, the paper said, "No matter how you look at it, there is no reason but hostility to be discovered," and declared, "It will be fortunate for herself if the Netherlands East Indies realizes the motive behind the increase of troops in French Indo-China."

In a separate semi-editorial prominently featured on the front page, the "Kokumin" said, "The increase of troops to French Indo-China is for joint self-defence against the envelopment of French Indo-China by hostile Britain and America, as well as Chang Kai-shek and the De Gaullists," and claimed that defence would "in all probability be inevitable."

An Opportunity for N.E.I.

In an editorial stressing the principle of mutuality in the Japanese-French joint defence of French Indo-China, the "Japan Times and Advertiser" said, "Opportunity is specially available for the Netherlands East Indies to reconsider its stand and open a way for a new agreement with Japan," and also voiced hopes that the "same stability that is now settling over Indo-China will also extend to Thailand."

The "Times" declared that the present Thai Premier, General Luang Bipul Songgram, should take steps to overcome hostile elements. "He can better do this now that he has taken over the leadership of the Army, Navy and Air Force with the rank of full General."

Declaring that the joint defence agreement is proof that "a new diplomacy is superseding the one-sided systems which have distinguished foreign activity in the Far East," the "Times" asserted that Japanese diplomacy guarantees the sovereignty of the jointly defended country and the preservation of its territorial integrity.

Contrasting joint defence of French Indo-China with United States occupation of Iceland, which it termed "aggressive and in a distant theatre unconnected with United States economy and defence," the "Times" said "Joint defence provides for mutuality in the co-prosperity sphere of related interests."

If there had been any doubt or suspicion on this point it will undoubtedly be dispelled with the clarification of the Far Eastern atmosphere which "naturally must have been hard to penetrate from a distance at this time," the "Times" concluded.

U.S., British "Panic" Scorned

The popular "Miyako Shimbun," in an editorial this morning captioned "Shame on Great Britain and the United States," declared that now that Japan has demonstrated that she in no way wishes to touch the territorial integrity or sovereignty of French Indo-China, Great Britain and the United States "should be ashamed of their early disbelief and panic."

The "Miyako" claimed that there is a "world of difference between the hackneyed imperialistic methods of the United States and Britain, and Japan's joint defence of French Indo-China," which is aimed solely at establishing permanent peace in East Asia.

There is nothing to worry about as long as Japan believes in the righteousness of her own stand, the "Miyako" said. The paper admitted, however, that "things did not go so simply as we would have them," and declared that the situation might grow more difficult and the obstacles greater.

The paper cautioned that the people of Japan must be prepared "to recognize, understand, and overcome all difficulties," declaring that "this is the opportunity for the nation's development." The "Miyako" declared that whether things will happen in the north, south, west or east, Japan should be ready to go forward.

"The government should put the domestic situation in order and assure the people the safety of livelihood while the people should strive toward devoted service to the nation," the "Miyako" concluded.—Domei.

New Mobilization Ordinances

Tokyo, July 31.

Prince Fumimaro Konoye yesterday submitted four ordinances to the general mobilization enquiry committee designed to implement national policies. He asked immediate approval of the ordinances.

The Japanese Premier said that the Russo-German war had brought about new complications requiring Japan to cope with the changing situation, and as a result "swift and determined execution of national policies" was necessary.

Japan must be self-sufficient in resources to attain industrial productivity, therefore "the Government is determined to effect a historic renovation of policies from a totally new standpoint," Prince Konoye stated. He said that the new ordinances submitted by him were "vitally necessary for coping with the new situation and for establishment of a new structure of total war."—United Press.

Freezing Order a Retaliatory Step

Tokyo, July 29.

Mr. Koh Ishii, Deputy Spokesman of the Cabinet Information Board, today told foreign correspondents that Japan had frozen assets in Japan of eight countries or colonies as retaliation for similar action by those countries.

The countries or colonies involved were the United States, Philippines Commonwealth, Great Britain, Northern Ireland, Canada, the Crown Colony of Hongkong, the Netherlands and the Netherlands East Indies.

Action against Dutch and N.E.I. nationals in Japan became effective today, Mr. Ishii said.

Nanking Cooperating

The Government had not yet taken action against the assets in Japan of nationals of Australia, New Zealand, India and Burma because those British Dominions had not frozen Japanese assets, Mr. Ishii said.

Mr. Ishii also said that the assets of the United States and Britain in Japanese occupied areas of China were frozen, in cooperation with Nanking authorities.

Mr. Ishii declined to disclose the amount of Anglo-American assets in Japan. He said that all foreigners must report their assets to the Finance Ministry. In order to minimize inconvenience to foreigners, Mr. Ishii said, the Finance Ministry was contemplating issuance of general permits to foreigners.—United Press.

Retaliation Against Borneo

Tokyo, July 30.

The Japanese Government today froze British Borneo assets in retaliation for the latter's freezing of Japanese assets.

Simultaneously, the Finance Ministry placed an additional 11 British firms in Osaka and Kobe under freezing regulations.—United Press.

Successor to Late Mr. Akagi Appointed

Tokyo, Aug. 1.

Appointment of Mr. Masanori Watari, of the Chiba Prefectural Government's General Affairs Department as Japanese Embassy Counsellor at Shanghai and Special Deputy Commissioner of the Shanghai Municipal Police in succession to the late Mr. Chikayuki Akagi was announced by the Cabinet. It will be recalled that the late Mr. Akagi was assassinated by terrorists at Shanghai on July 17.—Domei.

Japan Ready to Stop Southward Drive

Tokyo, July 29.

The Japanese Government is ready to halt its southward drive and proclaim itself satisfied with the advantages obtained through the Franco-Japanese agreement of July 21 on condition that both Great Britain and the United States accept the *fait accompli*, according to well-informed Japanese quarters.

On the other hand, should the "encirclement" of Japan be continued in the southern Pacific and should economic sanctions be increased by an oil embargo, Japan would be compelled immediately to examine preventive measures to escape economic suffocation.

It is stressed here that if Great Britain and the United States wish to go on with their "policy of the big stick" then Japan can also use a big stick with which to retaliate.

"Joint Defence"

To provide for such an eventuality and in order to protect communications with Indo-China, which can be considered Japan's "rice road," Tokyo's first concern will be to organize and equip the necessary land, air and naval bases for the "joint defence" of Indo-China.

The Japanese authorities will avoid all disputes with the French civil authorities who will be given a free hand in the administration of Indo-China.

In short, Japan desires to maintain peace in the Pacific but believes that the best way to do this is to show her strength rather than engage in the path of conciliation.

It is in this spirit, it is said, that Japan is confident in being able to find a *modus vivendi* with the United States when the psychological effects of the freezing orders die down.

Japan's principal concern then would be to have her hands sufficiently free to be in a position to start out in any other direction should there be occasion to do ss.—Havas Telemondial.

Japan Must Be Prepared

Tokyo, July 30.

The need for speedy execution of all national policies aimed at preparing Japan to meet any situation in the Far East was reemphasized by the Premier, Prince Fumimaro Konoye, in a speech at the opening of the 16th Plenary Session of the National Mobilization Investigatory Committee.

Pointing out that the European war entered a new phase with the outbreak of the Soviet-German hostilities, Prince Konoye declared "there is no doubt that this war is bringing serious effects to Japan.

"Moreover, at the present stage it is difficult to predict the result of this conflict in Europe which may spread.

"In view of the rapidly changing situation everyone in Japan must always be prepared to meet the worst," Prince Konoye warned.

He added that the Government was doing "everything within its power to mobilize all its resources and manpower to meet any situation which arise in the future."

Concluding, the Premier urged the members of the Investigatory Committee to study all problems in order to bring about swift execution of all such Government mobilization plans. —Domei.

Japan Said "Fully Prepared"

Tokyo, July 31.

"Our Government is fully prepared to measure up to any situation that is developing or likely to develop in connection with the Anglo-American combination in the Far East."

This statement, made by Mr. Takenosuke Miyamoto, deputy president of the Planning Board, was emphasized in a leading article in the semi-official "Japan Times."

Everything that had happened by way of an economic war was anticipated, declared Mr. Miyamoto. Japan had planned her economy for the latter half of this year without counting on supplies from Britain or the United States.

The programme for material supplies was based on the degree of self-supply achieved or to be achieved by the combination of Japan, Manchoukuo and China, "together with what supplements may be obtained from some countries in the south."

Although Japan is fully prepared to meet the situation, there is no doubt of its gravity and the urgency of developing Japan's fighting power on an emergency basis.—Reuter.

Japan Control Extended To Canada

Tokyo, July 28.

The Ministry of Finance announced the extension of regulations covering control of business transactions by foreigners in Japan to Canada, in addition to the United States and the Philippine Commonwealth.—Domei

Japan Gravely Concerned Over N.E.I. Action

Tokyo, July 30.

The suspension of the Japanese oil agreement by the Netherlands East Indies is causing the gravest concern throughout Japan.

Pending receipt of official particulars, it is not clear whether the decision is temporary, partial, or absolute, but should the United States take similar action, Japan would be placed in a most difficult position.

The question is especially explosive, because the average Japanese understands the vital need for oil. It is unlike fund freezing, which is just another type of wartime control.

The Netherlands East Indies' initiative, in this respect, is deemed most rash.

Need for Oil

Japan's need for oil has already been dramatized before the public by drastic restrictions in private consumption, and extreme economy practiced by public conveyances.

Referring to the suspension of the oil agreement, the man in the street is already heard protesting: "This is going too far; what can Japan do without oil?"

Officials also voice anxiety with the Ministry of Commerce and Industry Fuels Bureau stating: "Should oil not arrive from the United States, we must treat the problem with great determination." The statement stressed the need for spurring domestic production and at the same time curbing civilian use.

Oil industry quarters were interviewed by the newspaper "Nichi Nichi," which says they point out the gravity of the situation depends on the extent to which the Netherlands East Indies restricts oil shipments to Japan, and which point is still not clear. However, Japan is said to have been storing oil for some time in anticipation of such an act, so the immediate consequences may not be too severe. Nevertheless, the same quarters are reported to be advising that the utmost advantage be taken of the projected mineral oil company scheduled for organization on September 1, through extensive mergers.

N.E.I. Warned

In an editorial today the "Asahi" says that the N.E.I. should treat trade relations with Japan as purely an economic matter instead of "dancing too lively to the Anglo-American tune."

However, the paper fears there is little chance that the N.E.I. will reconsider, and Japan must not expect such.

Treating the same subject in a second editorial the "Asahi" sees the Dutch authorities "wearing the skin of the British lion and the feathers of the American eagle to defy Japan."

The paper says the N.E.I. recently became more of a source of supplies than a market for Japan, for which reason Japan now must make the fullest use of Indo-China, Siam and South China.—Reuter.

May Ship Oil

Tokyo, July 30.

Domei, the official Japanese news agency today quoted a "responsible" Netherlands East Indies authority as denying that the Dutch Government had suspended its oil agreement.

Domei quoted the official as stating that private contracts between Japanese oil purchasers and British, American or Dutch producers would be carried out under the permit system hitherto used.—United Press.

New Zealand Abolishes Japanese Privileges

Tokyo, July 30.

Following up the notification of suspension of the most favoured nation clause with Japan on July 27, New Zealand has abolished special privileges for merchants entering the country, according to a message received by the Foreign Office, says the Japanese news agency.

It disclosed that Japanese merchants entering New Zealand will hereafter be required to make applications like ordinary immigrants, according to the new ruling.—Reuter.

"Japan Will not Retreat"

Tokyo, Aug. 1.

Mr. Masatsune Ogura, Finance Minister, declared in an article published by the "Asahi Shimbun" yesterday, that irrespective of how much Great Britain and the United States increase their pressure on Japan, "Japan cannot retreat even one step from her fundamental policy of constructing the Greater East Asia co-prosperity sphere.

"We owe it to more than 100,000 soldiers who have died on the continent and more than 20,000,000,000 yen in expenditures since the outbreak of the China Affair to establish the New Order in East Asia and to contribute to world peace," he added.

Further Difficulties

Mr. Ogura said that as long as the United States and Britain remained at loggerheads with Japan concerning the Greater East Asia co-prosperity programme, the Japanese must face further difficulties.

He pointed out, however, that success in settling the China Affair was the most vital factor in developing Japan's fortunes and said this would be a short-cut to Far Eastern peace. —United Press.

Japanese to Modify Trade Restrictions

Tokyo, July 28.

The Finance Ministry modified enforcement of regulations for control of transactions by foreigners which went into effect this morning by stipulating that permission will not be required for clearance of bills or accounts received by banks before July 26.

The Ministry announced that for transactions without permission clearing of bills and account must fall under the following categories: firstly, where a foreign bank designated under control regulations settles accounts with another bank along with clearance of bills; secondly, when bank clears bills representing the interests of a designated foreign bank or when a bank settles accounts or clearing balances with a designated foreign bank along with clearance of bills; thirdly, when a designated foreign bank receives or pays out deposits or other accounts in accordance with bills cleared through the clearing house; fourthly, where a bank receive from or pays out to a designated foreign bank deposits or other accounts in accordance with bills cleared; fifthly, when an individual deposits money with a designated foreign bank in accordance with bills cleared through the clearing house; sixthly, when an individual withdraws deposits from a designated foreign bank in accordance with bills cleared.—Reuter.

Foreigners in Japan Accept Freezing

Tokyo, July 30.

The "Japan Times & Advertiser" in an editorial captioned "Temporary Trials," declared that the first effects of the freezing order against funds of British and American nationals "appear to be disconcerting but are being accepted by foreign nationals in an accommodating spirit."

The "Times" said that it is understood that the designated nationals will be able to draw Y-500 monthly in excess of allowance for rent, servants and taxes without applying for permits.

"There are many large institutions which will be temporarily embarrassed, including embassies which have large staffs to pay . . . but inas much as Japanese companies abroad are in the same plight, the impression that prevails is that an international scheme of accommodation will eventually operate," the "Times" said, adding, "It will be necessary to exercise patience until working effects of the new orders are made apparent."

Japan's Action Defended

The paper again defended the Japanese application of freezing regulations, stating, "This country was late in applying controls and only did so when some form of protection was needed against the financial blockade aimed at applying pressure on the Japanese people as a result of the agreement on joint defence of Indo-China."

The "Times" continued, "There has been no desire on the part of this country unduly to dislocate trade, commerce and private life and the minimum restrictions have been applied."

Concluding, the "Times" declared, "The international financial disruption occasioned by the Anglo-American freezing order, which caused mild retaliation here, is part of the development arising from world trends toward complete Government control of funds. It is not peculiar to Japan."—Domei.

Toyoda Assures Vichy

Vichy, Aug. 1.

Admiral Teijiro Toyoda, Japanese Foreign Minister has sent personal telegrams to Marshal Philippe Petain and Admiral Francois Darlan, Vice Premier, through the French Embassy in Tokyo, pledging that Japan will fulfil all engagements made with France and will respect all promises made by her.

The telegrams were sent on the occasion of the signature of the Franco-Japanese pact for "joint defence" of Indo-China.

Admiral Toyoda's message to Marshal Petain expressed sentiments of admiration for the soldier of Verdun and esteem for the Chief of State in attempting a national revolution.

The message to Admiral Darlan contained expressions of respect.

Occupation Proceeding

Meanwhile, despatches from Saigon reported that Japanese occupation of southern Indo-China was proceeding methodically.

The Paris press printed a despatch from Tokyo expressing hope for a *modus vivendi* with the United States but added "Japan's principal care is to keep her hands free to act in another direction as soon as the situation is favourable."

Continued assertions of the Bangkok government concerning its desire and hope of being able to continue good relations with all neighbours have led the French to believe that Thailand will resist any effort of any foreign Power to impose "collaboration on it.—United Press.

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Anglo-Soviet Cooperation

Tokyo, Aug. 1.

BRITAIN'S cooperation with the Soviet Union in the Far East must be considered possible since Britain and the Soviet Union have concluded a military alliance, Mr. Koh Ishii, Deputy Spokesman of the Information Board, told foreign correspondents at today's press conference when questioned regarding the effect of Mr. Anthony Eden's statement that Britain was cooperating with the Soviet Union in the Far East.

Mr. Ishii observed that England was "very friendly" toward the Soviet Union. He refrained, however, form further comment pending receipt of the text of Mr. Eden's statement.

Asked whether or not Russia's cooperation with Britain against Japan would conflict with the Japan-Soviet Neutrality Pact, Mr. Ishii said "That would be a question. Should Soviet Russia cooperate with Britain against Japan?"

Keenly Interested

Further queried regarding the reported cooperation among Britain, the Soviet Union and Chungking against Japan Mr. Ishii replied "We are keenly interested in the question. We must wait and see its result."

Mr. Ishii revealed that Japanese authorities were discussing the question of whether or not there was any need to change the proposed economic agreements with the Soviet Union as a result of the German-Soviet conflict, and said if there was need for a change, negotiations will be started with Russia.

Mr. Ishii disclosed that Mr. Kaname Wakasugi, Japanese Minister-at-Large from Washington, had decided to return to Japan sometime ago when Mr. Yosuke Mastuoka was still Foreign Minister, when questioned as to whether Mr. Wakasugi had been suddenly ordered home.—Domei.

Conference at Chita

Tokyo, Aug. 1.

Domei news agency last night carried reports from Nanking that a Russian-Chinese military conference will be held in early August at Chita in order to discuss joint military operations in the event of a Russo-Japanese war.

Domei said that five Chungking representatives left for Chita on July 25. The report added that Chinese Communist leaders will also participate in the conference.—United Press.

Positive Diplomatic Object

Tokyo, Aug. 1.

The first direct reference to the Soviet Union as the object "of Japan's positive foreign diplomacy" along with Britain and America is contained in a heavily-censored editorial appearing in this morning's pro-Axis newspaper "Hochi."

The journal alleges British, American and N.E.I. attempts to interfere with Japan's southward advance, and asserts that Japan is prepared for them.

"Our foreign policy," it adds, "is centred on the tripartite alliance and we will take positive diplomacy against Britain, America and the Soviet Union."

The "Hochi" adds: "Our southern advance policy is inseparable from the China affair and the reinforcement of Indo-China is absolutely essential and peaceful....We are fully (censored) and closely watching."—Reuter.

Economic Autarchy in Orient Needed

Tokyo, Aug 2.

Anglo-American freezing of Japanese assets, as a "virtual declaration of economic war against Japan," forcibly had brought the attention of the Japanese people to the "inevitable need of establishing a Far Eastern economic autarchy," the popular "Yomiuri" declared today under its column "Viewpoints."

The paper pointed out that the Anglo-American step had caused a drastic change in the trade and monetary structure of Japan. It went on to assert that the new international political and economic developments had forced Japan, which hitherto depended upon the American dollar and the British pound sterling, to seek "hegemony for yen currency" in the East Asia prosperity sphere.

The "Yomiuri" pointed out that Thailand's agreement to extend a 10,000,000 baht credit to Japan "coming particularly at this moment together with her recognition of Manouchoukuo, is highly significant." The paper added that this was proof of Thailand's economic cooperation with Japan despite her "still lingering economic dependence upon Britain."—Domei.

"Hochi" on "Greatest Insult to Japan"

Tokyo, Aug. 1.

Asserting that the abrogation of the commercial treaties by Britain and the United States was "the greatest insult" to Japan in history, the "Hochi Shimbun," writing under the column "Current Topics," declared that the abrogation was a forthright severance of economic relations with Japan by Britain and America in an attempt to intimidate and "suffocate" Japan economically.

The paper urged that the Japanese people should calmly, prudently and seriously consider what Japan must do to cope with the situation, asserting, "The quicker the decision the better the result."—Domei.

Tokyo Writers Warn U.S. On Coming Action

Tokyo, Aug. 3.

A strong warning that the present attitude of the United States toward Japan is comparable to Soviet Russia's attitude in 1903 when "Japan's patience was not endless and Japan finally resorted to force and staking its national existence" has been given by Mr. Soho Tokutomi, columnist for the "Nichi Nichi Shimbun."

"The American attitude toward Japan has grown from bad to worse and history repeats itself .... Japan is not likely to act recklessly but will stake its national existence if necessary regardless of the outcome," he declared.

Mr. Tokutomi said that the attitude of the United States toward Japan at present was ten times worse than Russia's toward Japan in 1903, when Japan resorted to force.

Scope of New "Sphere"

Simultaneously, Mr. Fumio Yamada, chief of the research department of the "Institute of the Pacific" composed of diplomats, politicians and business leaders interested in the South Seas, declared that "the Greater East Asia Co-prosperity Sphere which Japan intends to establish will mean a large living sphere, covering besides Japan, the nations of Manchoukuo, China, French Indo-China, Thailand, Malaya, Burma, the Philippines and the Netherlands East Indies."

Mr. Yamada said that the co-prosperity sphere aims at "freeing the Asiatic races from the yoke maintained by forces outside Asia," but admitted that the task was difficult owing to the many difficulties in China where the situation is complicated by foreign powers' rights and interests.

South Seas Neglected

"It is worthy of criticism that Japan has neglected the importance of the South Seas as Japan's lifeline," he added.

The "Asahi Shimbun" published a special despatch from Saigon stating that "Japan's position has been greatly strengthened by the despatch of additional forces to southern French Indo-China which, through destruction of the Anglo-American anti-Japanese encirclement camp, will greatly facilitate realization of Japan's southward policy."

The despatch added that Indo-China at present has a surplus rice production of 50,000,000 bushels "the proper disposal of which will practically settle all questions relative to the supply of food in the Greater East Asia Co-Prosperity Sphere."

He said one of Japan's duties was to save 10,000,000 peasants from the "squeezing hands" of 300,000 anti-Japanese Chinese merchants at present handling exclusively the collection and distribution of Indo-China's rice.—United Press.

Commander Arrives

Saigon, Aug. 3.

Vice-Admiral Masaichi Niimi, Commander-in-Chief of Japanese Naval Forces in Indo-China Waters, arrived here today aboard a torpedo boat and immediately transferred his flag to the cruiser which had arrived on Saturday.

French civil, military and naval officials will call on Vice-Admiral Niimi tomorrow. He will leave for an unknown destination on Tuesday. —United Press.

Pressmen Complain Of Censorship

Tokyo, Aug. 2.

American correspondents here of the United Press, "New York Times," New York "Herald Tribune," Associated Press, International news and the National Broadcasting System yesterday requested the Government to revise its censorship regulations.

The correspondents asked that they be informed when their cables are held up and what is deleted from them.

They also requested permission to import American food and clothing upon payment of normal duties, the issuance of petrol ration cards similar to those issued to various foreign embassies and permission to own and operate short wave radio sets.

The correspondents based their requests on the grounds that Japanese correspondents in the United States were accorded similar privileges and working conditions.

The United States Embassy said that it would be delighted if the Japanese Government granted the requests, adding that it believed that such a move on the part of the Japanese would "promote better Japanese-American relations."—United Press.

Standard Oil Co. Stops Selling

Tokyo, July 29.

The Standard Oil Company today discontinued selling petrol throughout Japan because of the impossibility of depositing receipts and remitting the profits since the enforcement of the Japanese-American freezing orders.

The action may be only temporary pending the clarification of the freezing regulations, but it immediately will create a further curtailment of transportation in Japan.

The National City Bank of New York remained closed as Finance Ministry officials continued examination of the bank's books.

Reopening Date Uncertain

Mr. Koh Ishii, Cabinet Information Board's deputy spokesman, said that the bank would be permitted to reopen but the date was uncertain.

The National City Bank holds 17,000,000 yen belonging to American depositors, including more than 8,000,000 yen which belongs to American motion picture companies.

American motion picture companies today jointly agreed to suspend distribution of pictures throughout Japan pending clarification of the freezing regulations.

Hits Taxis

Informed quarters expected a reduction of the already small number of taxis and private automobiles operating in Tokyo including cars belonging to American Embassy and Consular officials. The Government has reduced the petrol allotments for taxis for August to seven gallons.

The Finance Ministry has informed all enquirers thus far that no exceptions have been made yet regarding the 500 yen monthly withdrawal limit for nationals whose assets have been frozen.

It also did not indicate whether expections would be forthcoming, although at the official rate of exchange Japanese nationals in the United States were receiving four times the value the Americans in Japan were receiving.—United Press.

U.S. Firms in Japan Under Control

Tokyo, July 28.

The Finance Ministry today announced the names of 30 United States firms operating in Japan whose transactions will be placed under government control under the provisions of the Japanese freezing act which becomes effective today.

Prominent among the companies listed were branches of the Ford Company, Watson Calculating Machine Company, R.K.O. Universal Film Company, and General Motors.

The full list is as follows:

In Tokyo:—Andrews and George Co.; Sakuma Industrial Co.; Japan Universal Film Co.; Oriental Western Electric Co.; Oriental Otis Elevator Co.; Japan Cash Register Co.; Japan National Cash Register Sales Co.; Japan Automatic Telephone Co.; Japan Hanovia Quartz Lamp Co.; Japan Polyphoto Co.; Japan R.K.O. Radio Pictures Co.; Frazar and Co.; Hanovia Chemical Co.; Baker Platinum Co.; Frazar Co., Ltd.; Lury Co., Ltd.; American Trading Co.

In Yokohama:—Standard Shipping Co.; Oriental Anapor Bag Co.; Japan Ford Motorcar Co.; Japan Ford Financing Co.; Japan Watson Calculating Machine Co.; Yokohama Tansan Co.

In Nagoya:—Asuma Factory.

In Osaka:—Japan General Motors Ltd.

In Kobe:—A. P. Manning and Co.; D. S. Terry Co.; Maxwell Co.; Merchandise Trading Co.; Rupert Cox Co.—Domei.

British Firms Under Control

Tokyo, July 29.

The Finance Ministry announced today the names of 43 British firms, as well as three Hongkong concerns, operating in Japan whose transactions will be controlled under the provisions of the freezing act effective yesterday.

Principal among the companies listed were:

The Rising Sun Petroleum Company which is a subsidiary of the Royal Dutch Shell, Butterfield & Swire Company, Showa Raw Cotton Company, Dunlop Rubber Company, Mackinnon, MacKenzie and Company.

Others included were:

Sales and Swan Company, Limited, Muller, Phipps and Seller, Limited, J. Curnow and Company, Limited, Toyo Babcock Company, Limited, Morganite Carbon Company, A. Cameron and Company, Hill Pharmacy, Tor Hotel Limited, Lane, Crawford and Company, Clifford, Wilkeson Tansan Mineral Water Company.—Domei.

Japanese Silk Situation Is Deteriorating

Tokyo, Aug. 3.

The silk situation will go from bad to worse, stated officials of the Japanese Department of Agriculture and Forestry, as a result of the American freezing of the entire Japanese Silk Stocks on July 26. They believe that this action is not a temporary measure.

Although American silk importers are eager to continue the trade, it is considered in Japan that such export would be meaningless unless through the medium of credits thus obtained Japan could purchase machinery, oil and other important materials from the United States.—Havas.

U.S. Firms Reopen In Japan

Tokyo, Aug. 3.

Some American firms, including Standard Oil and the National City Bank of New York, have reopened to carry on some business following their closure when Japan froze United States credits and holdings in this country.

Standard Oil discontinued selling gasoline throughout Japan in view of the impossibility of depositing receipts or remitting profits following the Japanese and American freezing measures. Sales were resumed, however, when the Government gave permission to deposit funds.

Transportation Curtailed

Standard Oil's action, which proved only temporary pending clarification of freezing regulations, created a further curtailment in transportation and brought about a reduction in the already small number of taxis and private automobiles operating in Tokyo, including those of American Embassy officials.

The Government has reduced the gasoline allotment for taxis during August to 12 gallons and to seven gallons for privately owned cars. It was believed that a further reduction would be forthcoming soon, with possible elimination of the supply for private cars.

The National City Bank of New York reopened its branch here after Japanese officials had completed examination of its books. Operations were limited to American, British and Dutch withdrawals solely for payment of Japanese employees and payment of Japanese taxes. The bank holds 17,000,000 yen in American deposits, including over 8,000,000 yen belonging to American motion picture companies.

Movie Distributors Suspend

The American motion picture companies jointly agreed to suspend distribution of pictures throughout Japan pending clarification of the freezing regulations.

The Finance Ministry has informed inquirers that thus far no exceptions have been made regarding the 500 yen monthly limit for nationals whose assets have been frozen and there was no indication whether exceptions would be forthcoming. At the official rate of exchange, however, Japanese nationals in America are receiving over four times the value that Americans are receiving in Japan.

Dairen Plants Restored

Reliable quarters meanwhile stated that Japanese authorities in Dairen have evacuated the installations belonging to Standard Vaccum, Texas Company and shell Oil Company after the misunderstanding in the Japanese regulations freezing American assets.

Japanese authorities last Monday occupied the three installations, detaining the managers and staff throughout the day and permitting only those going for food to leave the installations. The managers were permitted to contact the American Consulate, which made inquiries in Tokyo after which the incident was settled through the Japanese evacuation.—United Press.

"Japan Cannot Stay Aloof"

Tokyo, Aug 2.

Commenting on the United States Government's decision to send aid to the Soviet Union, via the Pacific, as announced by Mr. R. K. Davies, Deputy Petroleum Coordinator, the popular daily "Yomiuri" this morning editorially warned that Japan as a signatory of the Tripartite Pact could not remain aloof to action in the Pacific for such purposes.

The sudden visit to Moscow of Mr. Harry Hopkins, United States Lease-Lend Administrator and President Roosevelt's personal envoy, as well as the arrival of high Soviet officials in Washington, was proof of the increasing close collaboration between the United States and the Soviet Union, the "Yomiuri" asserted.

"These developments should be watched as closely as possible as they indicate an American attempt to bring the Soviet Union into the Anglo-American camp against Germany in Europe and Japan in the Far East," the "Yomiuri" warned.

The paper declared that there was no doubt that the United States wished to obtain certain military concessions on the Kamchatka peninsula in view of her past efforts to strengthen her defences in Alaska and the Aleutian Islands.—Domei.

Japan Preparing for Any Emergency

Tokyo, Aug. 2.

While Japan began tightening its belt economically, at the same time it launched widespread military preparations to be ready for any emergency, a survey showed today.

The nature of these military preparations cannot be disclosed, but it can be said that Japan today probably has the largest forces in her history under arms.

The mobilization of the armed forces is resulting in labour shortage. Because of this factor, the Ministry of Education has announced that all students of middle schools and higher classes will be immediately organized as members of the National Service Corps for collective labour coincident with military training.—United Press.

"Japan Times" Hits Welles' Statement

Tokyo, Aug 2.

A smooth explanation too often covers the roughness of truth, the "Japan Time and Advertiser" editorially declared when commenting on Mr. Sumner Welles' July 25 statement saying that Japan had not and was not being denied the purchase of tin, rubber and oil in the Pacific regions.

Pointing out that on paper it looked as if all countries had equal opportunity to buy raw materials from Malaya, the "Times" declared, "The purchase was by licence. All could ask but few got goods—except a favoured few—as far as Japan was concerned she always had been flatly refused and a de facto embargo was enforced."

The United States on the other hand had created a "reserve company" in Malaya which monopolized all rubber, tin and other raw materials with the full support of the local Government authorities, the "Times" said, adding, "In other words Japan could go and buy all she wanted but she would just find all stock already disposed of by previous agreement to another customer."

"Artificially Excluded"

Claiming that much the same situation was being worked out in South America by the British and American Governments the "Times" asserted, "The widespread effort to close all markets to Japan by buying up surpluses so the market can explain that it is sold out, will not convince many people that politics and economics in this case are not one."

The "Times" concluded, "If Japan is artifically excluded from sources of supply, it will be supported in its determination to build up a co-prosperity sphere where supplies can be assured and where markets for distribution to Japanese manufacturers likewise are certain. The shutting out of Japan merely hastens the course of self-sufficiency in the Pacific."—Domei.

Japanese Professor Denounces Britain

Tokyo, Aug. 4.

Mr. Tomio Nakano, Waseda University professor and noted authority on Japanese constitutionalism, writing in the "Yomiuri" declared that Britain's history "is a history of lies and a history of oppression of other races with hypocrisy and cunning."

The writer said that the landing of Japanese troops in southern Indo-China brought Japan on the verge of military blows with the Anglo-American nations, but Japan had already made up her mind.

"The Japanese are not asking for war. But if needs be they will not grudge streams of blood and mountains of corpses' for self defence and the protection of their racial honour.

"The Japanese will fight to the last man to smash the selfish interests drawn about them by the Anglo-American ring, and to secure the establishment of a prosperity sphere in the East," Prof. Nakano declared that the present peaceful occupation of Indo-China by the Japanese forces demonstrated that Vichy and the Hanoi authorities were fully awakened to the folly of reliance on "an incarnation of falsehood like Britain."—Domei.

"Barefaced Impudence" Says Welles

Washington, Aug. 2.

"Bare-faced impudence," was the description Mr. Sumner Welles, Acting Secretary of State, applied to the action of Germany in urging Mexico to protest to the United States against the black-listing of Latin American firms deemed to be working for the Axis.

Asserting that Germany had violated and destroyed the sovereignty of many nations, Mr. Welles declared it was bare-faced impudence on the part of Germany to try to tell Mexico, or any other country, what it should do to protect its sovereign rights.

Moreover, Mr. Welles declared, Mexico did not require any advice from Germany.

Mr. Welles was commenting on the action of Mexico in strongly rejecting the German request that it should make such a protest.—Reuter.

Japan to Get New Power Rules

Tokyo, Aug. 3.

The National Mobilization Council yesterday approved an ordinance for control over distribution of electric power in Japan. The ordinance included three major articles covering measures to be taken to co-ordinate distribution of power, organization of distribution companies and disposal of debentures issued by existing power distributing companies.

The ordinance was designed to speed up distribution of power, to ensure supplies of electricity for defence needs, to unify generation, transmission and distribution of power, and to make adjustments for capital investments.—United Press.

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SHANGHAI NEWS

Local Banks Informed of British Blocking Order

Aug. 1.

A DIRECT blocking from July 29, of all balances, securities and gold in the United Kingdom of Britons resident in China, including corporate bodies or its subsidiaries in or outside China, has been made by the British Government according to a joint telegram received at about noon yesterday by local British banks from their London offices.

Suggestions have been put forward for the banks to continue to finance trade between China and the sterling area and carry out certain exchange transactions in which connection the banks are seeking further elucidation from London.

Owing to the hardship and inconvenience which the instructions will impose on British residents here authorization has been sought by cable from London by the banks concerned to make payments for limited sums to cover living expenses and essential commitments. The following press notice was issued yesterday afternoon by the Hongkong Bank for the information of the public:

Joint Telegram

"The British banks in Shanghai have received a joint telegram from their London offices dated July 29, stating that H.M. Government have made a direct blocking as from that date all balances, securities and gold in the United Kingdom of residents of China, including corporate bodies and any branches or subsidiaries of such bodies either in or outside China, similar to the direction which was made operative as from July 26, as regards residents of the Japanese Empire, Japanese Mandated Territory and Manchuria.

The telegram goes on to give further particulars from which it appears that all sterling balances, securities and gold held in China by these banks on behalf of residents of China or Japan are also blocked.

Proposals have been made under which these banks will be able to continue to finance import and export trade between China and the sterling area and to carry out certain exchange transactions. The banks are communicating with London in order to obtain further information regarding this.

Limited Payments

It is realized that the instructions, as at present received, entail serious inconvenience and hardship for residents in China and the banks have, therefore, telegraphed to London asking for authority to make payments for limited amounts to meet necessary living expenses and other essential commitments.

The public are asked to realize that the above restrictions have had to be brought in hurriedly and that it will be of necessity some little time before the position is fully clarified. It is understood that the American banks have received a similar notification from their London offices."

Mild Run on Banks

Enquiries from local banking circles disclosed that there has been a mild run on local banks, especially Chinese institutions, by depositors who have drawn substantially against their local currency accounts to have sufficient funds on hand to meet any possible emergency including evacuation from one area to another, should the necessity arise.

The Shanghai public has shown considerable discretion and calmness in their reaction to the recent developments in the international field in the opinion of a prominent local foreign banker in a candid discussion of the financial situation here with a reporter of the "North China Daily News".

Applications for drawings against foreign accounts especially for living and other vital purposes on local American banks would not encounter much difficulty specially if the applications are genuine, it was learned from local American banking circles yesterday. This would not apply, however, to large sums or anything not considered a normal requirement or if there was any suspicion of any blacklisted names being involved in the applications.

The manager of the National City Bank disclosed yesterday afternoon that no foreign resident here has as yet been blacklisted. The American blacklist so far, he said, applied to certain residents in Latin America; Central and South America.

Local Economic Situation

Apprehensions of a possible food and commodity shortage here in the immediate future following recent developments and a possible aggravation of the international situation were allayed yesterday by an official of the Shanghai Municipal Council who disclosed that supplies of essential goods were ample for the next three months at least. Rice stocks it was learned, were ample to meet requirements here for the next six months. There were also adequate stocks of petrol and oil to last for some time, but the question of future imports remained a matter for conjecture owing to the dearth of tankers. The future imports of rice would depend in a great measure on the availability of freight, it was learned.

An official of the French Municipal Council was reported to have stated yesterday that import of rice from Saigon would continue despite the present situation in French Indo-China.

Japanese Export Ban Revised

July 31.

The addition of several more products placed under the recent Japanese export restrictions was announced yesterday by Mr. K. Oyamada, Japanese Administrative Commissioner of Customs, in a revised list of the export ban which included seventeen categories of products. Cotton goods, provisions and fertilizers were withdrawn from the former list.

It is understood that applications would be received by the Japanese official of the Customs concerned for exports of all goods, but that final permission for shipment remained uncertain for goods included in the restrictions. Applications for export of goods mentioned in the list including transshipment, re-export and shipment ex-bond abroad including Japan and between China ports excluding occupied ports must be referred to the Japanese Administrative Commissioner of Customs, it was learned.

Goods Restricted

The revised list of goods placed under the restriction order follows: hides and leather (excluding furs and skins); bran (including wheat and rice bran); rice and paddy, wheat and wheat flour; dyes, dyestuffs, varnishes, paints, enamels, pigments etc; vegetable oils, edibles, rubber (excluding manufactures thereof); coal, cotton (raw) and cotton waste; hemp, jute, and ramie; sheep's wool; ores of all kinds; metals, machinery, chemicals and chemical compounds for medical and industrial uses (excluding vegetable compounds).

Commodity Ban Still Undecided

Aug. 1.

According to a formal statement yesterday by Dr. Sherman Chang, Director of the Chinese Maritime Customs, the prohibition of certain exports from Shanghai has not yet been decided and is still being considered. In the meantime, Customs officials are awaiting further instructions. Dr. Sherman Chang's statement follows:—

"Since the announcement of the freezing of Chinese assets in America and in the British Empire by the American and British Governments, I was prepared to meet this economic warfare by putting up an embargo on certain exports from Shanghai to America and the British Empire. Immediately I notified the Customs official in charge of export applications to hold up for a few days the applications for piece goods, and to wait for my further instructions. In fact, the list of goods to be prohibited from exportation from Shanghai is still under consideration and it will be officially announced in a few days."

Chinese Press Indignant

Though the ban on commodities is aimed primarily at London and Washington, foreign and Chinese businessmen are undoubtedly hard hit. Chinese exporters, who have been sending goods included on the tentative list to Chungking-controlled areas, are suffering the most.

The local Chinese press have expressed indignation over the increase of goods forbidden for export from eight to 15 categories. The sudden increase of goods on the embargo list was said to have caught many exporters by surprise as they failed to obtain Customs papers for their shipments at the last minute.

Significant Cotton Change

It is interesting to note that on Wednesday there were rumours to the effect that the Customs did not wish to include cotton on the embargo list. It is a significant point that the original ban on cotton goods was altered in the revised list to cotton waste and raw cotton. It is believed that an embargo on the export of cotton goods would have affected local Japanese cotton business men just as much as other nationals.

Indicating the scarcity of cotton in free China, it is a noteworthy fact that Chungking does not boycott cotton even if it is produced by Japanese. In view of the uncertainty of the cotton outlook in Shanghai, some small cotton merchants were reported yesterday by the "Shun Pao" to have closed their doors on Wednesday. The appearance of the embargo list caused a great confusion in the cotton exchange with prices steadily taking a downward trend. The Chinese reports had it that the price of a bale of cotton showed a difference of $200 within 24 hours.

Br. Assets "Not Frozen"

July 30.

British assets here have not been frozen, declared Mr. Hori, Japanese Embassy spokesman, at yesterday's press conference here. He made this statement when asked how shipping on the China coast would be affected by the new regulations. Further queried, he nodded affirmatively when asked if it were true then that United States assets had been frozen and British assets had not.

Asked about Nanking's attitude, Mr. Hori stated that a close understanding existed between the Nanking Government and the Tokyo Government and said that he believed that Nanking was studying the situation before taking any action.

No official announcement had been made with regard to Customs bans reported to have been imposed, said Mr. Hori. Any action taken by the Customs would be upon orders from Nanking, the spokesman indicated. He stated that recent reports of new Customs regulations were only rumours.

When it was mentioned that there was talk of the French Concession and International Settlement being occupied soon by the Japanese, Mr. Hori dismissed the talk as "only rumour."

Referring to the Japanese Consulate's announcement that business dealings between Japanese and certain foreign nationals would be subject to restrictions the Embassy spokesman said that the order was directed at Japanese businessmen who would have to get permission from the Consulate for certain dealings. The order did not directly affect foreign business men here, said Mr. Hori, but would regulate the business dealings of Japanese and in some cases those of foreigners indirectly.

The spokesman denied knowledge of the alleged stationing of Japanese troops at various foreign oil installations at Tsingtao and Tientsin.

Profiteers Boost Prices

Aug. 2.

An official of the Shanghai Municipal Council's price investigation office yesterday admitted that undue advantage had been taken by profiteers here to boost prices of essential and other commodities owing to recent political developments. Although he could not state off-hand to what extent this has been done, he was under the impression that the tension had produced all sorts of rumours with the usual and consequential increase in prices of goods. It would be futile to attempt to produce definite proofs, however, he pointed out.

There has not been much change in the prices of domestic products, he went on to say, while certain imported goods had gone up considerably. He had been given to understand the reason to be that they would be difficult to replace at present prices owing to the political situation. Whether the explanation was bona fide or an attempt to hold out for higher prices he could not state.

That there would be some kind of a shortage of imported goods was unquestionable, he added, especially in the case of British products owing to the lack of shipping facilities. The increases in the past week have been more pronounced in the case of luxury articles, which he thought was not a matter of much concern to the masses.

The Rice Problem

Questioned about the increase in rice prices following on the heels of the latest development in the political situation here the official emphasized that the public had themselves entirely to blame by persisting in the purchase of rice other than that imported by the S.M.C. which was selling for $116 per zah or the broken Saigon rice imported by the French Municipal Council which was selling for $89 per zah. Many Chinese he said, had claimed that the rice they were purchasing from other sources was more palatable. If the necessity arose for rigid economy like in the present, the official thought, people should buy the best they could obtain at the lowest prices.

Domestic Products

To support his contention that there had been little or no change in the past week in the prices of domestic products he quoted the price of beef which was selling for $3.60 per pound for rib, soup meat from $2 to $2.20 per pound, lamb chop $1.50 to $1.60 per pound; the prices being the same as a week ago. Pork prices had seen a slight advance but he went on to quote innumberable instances where there had been no change in prices.

The prices of coal and kerosene had gone up, he said, but the advances had not been considerable, while butter had also gone up from 30 to 50 cents per pound. Margarine and soap had also advanced a little in price but coffee prices remained the same while the price of imported sugar had been increased from 5 to 25 cents per pound especially in the French Concession. Netherlands sugar had advanced from seven to thirteen cents per pound.

Price Control only Solution

Another authoritative source said he believed that many of the larger emporiums had a private understanding to increase the prices of everything at certain specified and stated periods and specially in times of stress. The flimsiest of pretexts was the tactic once resorted to by the establishments to raise prices, but today he declared they could with impunity raise prices at random on the simple expedient of stressing the difficulties of replacement or replacement cost. The explanation had been good enough for the Council, so there was no reason why any particular member of the public should not accept it.

The only solution to the high cost of living question he declared was price control, not price investigation which has been resorted to by the Council. Whatever the technical or legal difficulties were, he said, it was the business of the authorities to remove them.

Sir Victor Sassoon Believes War in Far East Unlikely

July 31.

THE belief that Japan will not risk war with the United States in the Far East was expressed by Sir Victor Sassoon in a broadcast talk last night over Station XCDN. Sir Victor reviewed the forces which are at work in this part of the world, and pointed out the indirect assistance which could be rendered to the German cause by the Japanese keeping a large force of British immobilized in these regions when they might be dangerous to the Germans in the Middle East; and forcing the United States to keep a large portion of its fleet in the Pacific, also to the advantage of the Germans. Sir Victor said:

I have been asked by so many people to give some sort of forecast as to what is likely to happen here on the Pacific side of the world, that I think it would be useful to put before you the forces which are at work, as I see them, as then any of you will be able to form your own conclusions, which probably will be as valuable as mine or anybody else's.

The basis of the question appears to me to rest on the Nazi programme, a programme which is being badly bogged in Russia. Now, whether this bogging is only temporary or is likely to last for some time, is a question on which I think not even the German High Command is in a position to give any really accurate forecast.

British Middle East Threat

What must be clear, however, to the German High Command is that any diversion at the present time by the British in the Middle East would create an extremely uncomfortable position. German reserves obviously are being speeded to Russia, large forces are still required to hold down occupied territory. That is no doubt why we read in the papers today that neutrals who visit big towns in Germany, such as Berlin, see only old men, women and children. Obviously the country has been combed with a fine comb to get reinforcements for the fighting line.

We also know that the British forces in the Middle East have been reinforced, and probably strongly reinforced, not only with men but with materials. If this reinforcement is only to relieve pressure on Tobruk I doubt whether that would worry the German High Command very much, but if this reinforcement is going to be used in Asia Minor, then there exist an eventuality which Germany must guard against.

That is why, in my opinion, Japan is being pressed by Germany at this stage to cause some form of diversion, which would keep the British occupied and prevent them sending large reinforcements of troops from India to Asia Minor.

Two Front War Feared

Now let's take up the question from the Japanese viewpoint. The one thing which I expect stands out clearly in the minds of the Japanese High Command is that they do not want to have to fight on two fronts, that is to fight against the United States and against Russia. The admitted technical and possibly numerical air superiority of the United States and Russia, the vulnerability of the manufacturing centres of Japan to bombing from the air, must make it perfectly clear that a war against the United States and Russia at the same time would expose Japan to extreme peril for, unlike the island of Great Britain, she has no friendly America to replace the production of cities which have been "Coventrized", as the Germans say.

Japan, as I have so often said, is in a very difficult position, and I would hate to be a patriotic Japanese, having to decide what is best for my country at this juncture. He obviously cannot wish for a total victory by Germany because that would mean that anything he can get for his country today would be likely to be taken away from him on the morrow. Obviously he cannot desire a victory by Russia, which would mean pressure on his vulnerable flank. All that he can hope and pray for is a long war in which Russia and Germany, and possibly Great Britain and the United States, would get so tired and worn out that they could not be bothered to resist Japanese ambition in the Pacific. He might also hope that even if the United States does not come into this war, there would be sufficient Isolationist sentiment there to prevent them taking action against his country if Japan decided to expand towards the South. Therefore it seems to me that the obvious ambition of Japan today must be to gain all she can materially, short of war with the United States and Russia.

War Unlikely

Japan probably considers her position today as similar to that of Hitler two or three years ago. She sees herself dealing with a country which does not want to go to war, which is likely to make any and every excuse not to go to war, and which might be expected to stand almost anything rather than go to war. So, as long as Japan avoids carrying out any operations which the United States have said will result in intervention, such as an attack on the Dutch East Indies, she probably can consider herself as fairly safe. She will continue to attempt to obtain advantages from neighbouring territories by apparent agreement, as in the case of the recent arrangements concluded with Indo-China, which obviously were only possible through pressure on Vichy by Germany.

Following German tactics, we can expect troops and planes to be massed in Indo-China on the borders of Thailand. Japan will naturally promise Thailand all sorts of territorial concessions at the expense of Indo-China, if Thailand will agree to co-operate with her. Japan has seen how such concessions are only temporary, and how this softening process, followed by infiltration, will mean that Thailand should easily come under Japanese domination, just as Central Europe came under the heel of Hitler. On the other hand, if Great Britain and America call a halt and make it clear that any infiltration of Thailand will be considered as a *casus belli*, then the Japanese probably would stay where they were, but keep on massing troops, artillery and planes on the Thai border, thus necessitating the retention of large bodies of troops in Burma. These would then not be able to proceed to the Middle East, all of which would be to the advantage of Germany.

At the same time, this "war of nerves" could be counted on to immobilize large naval and air forces from the United States in the Pacific, again to the advantage of Germany.

These facts would appear to me to justify the contention that war between Japan and the United States is unlikely in the immediate future, whatever may be said in the alarmist press. There is however a danger, I admit, and that danger is that the United States, having studied the history of the last two years, and taken it to heart, might come to the decision that she could not allow Japan to keep the initiative in her own hands and that Japan must not be permitted to go any further. Should the United States come to this decision, and should Japan make the mistake of thinking that America was bluffing, then there is possibility of war between the two countries, a war which might extend to Russia, and thus set the Far East ablaze.

Lower Commodity Prices Expected

July 30.

Residents in Shanghai are anxiously awaiting the announcement by the Chinese government at Chungking of enforcement of new currency regulations consequent upon the "freezing" order issued by Washington and hope is expressed by the Chinese press here that once the regulations are enforced, the confused condition now existing in the Shanghai market will be done away with. It is learned that the stringency existing in the foreign exchange market here during the past few days, during which people tried their best to obtain gold, has "stimulated" prices of many goods upwards, to say nothing of gold bar prices themselves, foreign currencies and rice.

The increase of prices of foreign rice in the Shanghai Rice Market is causing considerable uneasiness among Chinese householders here, for the rice is eaten by many residents here despite the sale of the official Hongkong rice. On Monday the prices of foreign rice was increased by $4 per picul while the price of native rice was $8 or $9 higher than before. The market had to be closed earlier in view of the confusion. The Chinese press blamed speculators for the trouble.

Lower Prices Expected

With the exception of luxuries, it is stated in the Chinese press, prices will in future be lower than at present, for merchants can still obtain their foreign exchange allotments if good reasons are given. Regulations governing the granting of foreign exchange allotments and co-related regulations will be announced by the Chinese government.

Two reasons are given for the stringency in the foreign exchange market; Those who possess large amounts of foreign exchange do not wish to dispose of them, while those who possess little want to buy. Another reason is that considering the tense situation in the Far East foreign merchants have withdrawn cash to be sent home. It is asserted, however, that this situation cannot last long.

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Settlement Courts' Status

July 30.

WHILE rumours have been circulated in Shanghai during the past few days that officials of the new régime may soon take over the First Special District Court and its High Court in the Settlement, the only tribunals in this city taking orders from Chungking, court officials proceeded with their work as usual yesterday knowing nothing about any negotiations being completed for taking over their offices. Inquiries revealed that they themselves had not been contacted during such negotiations, if any.

Reliable Chinese quarters said that new and strong pressure might have been brought to bear upon some quarters (other than authorities of the courts) for taking over the courts, asserting, however, that it would seem unlikely that the Powers concerned would capitulate since the surrender of the courts which owe their existence to an international protocal signed by seven countries, would involve the change of the fundamental policy that the leading Powers concerned are pursuing.

Renewed Last Year

This international protocol, it was said, is not at all like the Land Regulations of the Shanghai Municipal Council which have been changed. The regulations were drafted by local authorities and later approved by the Powers concerned, and if changes ever did occur they would affect the local administration. It was emphatically pointed out that any change of the international protocol, only renewed last year (and renewed three times already during the past 11 years), would eventually involve the question of recognition of the new régime which London and Washington, leading signatories of the treaty, are not in a position to do now. It would be entirely incompatible with the policy the two leading democracies are carrying out in the Far East at present. If President Roosevelt was prepared to allow the new régime here to take over the courts why did he send Manuel Fox, American expert of the China Stabilization Committee, to make investigations here with a view to improving the position of the Chinese currency? an authoritative source asked.

It was further pointed out that once the courts are taken over, naturally Nanking will circulate its currency in what the new officials term a legal manner. Nanking's regulations provide that any person refusing to accept the notes issued by the new régime is punishable. It was said that it would be unthinkable that British and American traders here should be forced to accept a kind of paper money which can never be usable in foreign exchange transactions. There might be numerous other regulations to be carried out by courts under the new régime, in addition to the Criminal and Civil Codes of this country, it was said.

Unable to Prosecute

Any unilateral action in transferring the courts to the new régime would be ineffective, it was asserted. Unlike all other Chinese courts, the tribunals operating in the Settlement here have vested the power of prosecution in the hands of the Shanghai Municipal Police, an international organization, by means of an international agreement. No prosecution would mean no trial, it was said. If the new régime's officials should occupy the positions now held by Chungking appointees in the courts they would find themselves lost in the vast number of documents and archives and would be unable to go about their business, upsetting the whole thing, it was said.

In this connection, it was pointed out officials now working the courts in the Settlement had never consented to co-operate with the new régime's officials, a situation entirely different from that which existed in the courts in the French Concession before they were taken over by the new régime through the alleged unilateral abolition of an international treaty by the French. It was said that before Nanking took over the courts there, about 40 per cent. of the officials signified their willingness to accept the new rule.

Force Useless

Viewing the situation in a more realistic way, the quarters interviewed asked what was the use of taking over the courts even by force? Hinting that the officials of the courts might have been prepared for such an eventuality, the same quarters said that to take over the courts by force would be tantamount to forcing out a wife by a concubine whose position does not exist in the Chinese law.

No confirmation of the rumours could be obtained yesterday from officials of the Shanghai Municipal Council. Authoritative sources, however, thought they were entirely unfounded and declared that there had been no negotiations for the rendition of the courts between the Chinese authorities and the Shanghai Municipal Council although, it was pointed out, agitation started long ago for the retrocession of the tribunals.

First Cholera Case

July 30.

Despite the careful preventive measures carried out by the authorities, cholera made its appearance in Hongkew last Sunday, the first case claiming a 27-year-old Chinese woman, Mrs. Li Fang-feng, residing on Boone Road, the "Tairiku Shimpo" reported last night.

North China Mails Move Regularly

Aug. 3.

The fact that many residents in Shanghai have of late been receiving their mail from Chefoo and Weihaiwei infrequently has led to the circulation of rumours that there may be a postal ban effected by authorities in northern treaty ports. Rumour also has it that Shanghai mails destined for the northern districts might also have been stopped. The rumours are unfounded, although there might have been individual cases of censorship or delays caused by irregular shipping schedules.

A high official of the Shanghai Post Office said yesterday that there has been no postal ban at any place in this country although in the past postal services had to be suspended at many places in view of hostilities. Even mails destined for Chungking-controlled interior have been received and sent out by the Post Office here, it was explained.

Looking into the file, he found out that the latest mail from Weihaiwei and Chefoo dated, July 27, arrived in Shanghai on July 29. He stated, however, that there might have been individual cases of censorship and that the censored mails might be "released" several days later. There have been cases of total censorship but there has been no postal ban. There have been no restrictions on out-going mail, he concluded.

Restrictions on Passengers

An official of the Dairen Kisen Kaisha, when approached yesterday with reference to difficulties encountered by foreigners returning here from Manchoukuo and north China, stated that they had nothing to say on the matter. The report had it that foreigners, on holiday in Manchoukuo, are unable to return in the D.K.K. steamers unless already in possession of a return ticket.

Subsequent to the report which appeared in yesterday's issue of the "North-China Daily News," which stated that foreigners in Chefoo were unable to return to Shanghai for the time being, it is learned that steamship companies are investigating conditions which, in part, concerned cholera precautions, but information on the subject generally is vague and, it is hoped that the Japanese authorities soon will make a statement.

Car Licence Dispute

July 30.

Removing the chief stumbling block in the negotiations that have been going on between the Shanghai Municipal Council and Greater Shanghai Special Municipal Government over financial questions in the areas under the jurisdiction of the newly formed Western District Special Police, Mayor Chen Kung-po of the Chinese city régime, has finally consented to the use of transferable motor car licences to the satisfaction of both car owners and the authorities concerned.

According to the "Central China Daily News," official organ of the new Nanking régime, the difficulties in the negotiations have been gradually overcome with the settlement of the most difficult question of issuing motor car licences. It is said that the Chinese city régime has now proposed the use of the transferable motor car licences.

Any car owner who has paid his licence fee to the Chinese city government can also drive his car in the Settlement and French Concession, while other car owners who have paid their licence fees to either the Settlement or Concession authorities may drive their cars in the two other areas, it is said.

Old Buildings Razed

July 30.

Old and delapidated buildings in the vicinity of the Hungjao Aerodrome and facades and walls of houses which have survived the Sino-Japanese hostilities are being dynamited and razed to the ground by the Japanese authorities here for their scrap iron, it was learned yesterday. Old iron drums today are worth at least four times their value a year ago, according to reliable sources.

Japanese agents in Shanghai also are said to have been buying all kinds of metals and fantastic prices have been paid for old Chinese ten cent pieces minted by the former government. Prices ranging from seven to fourteen times their original value are being paid for the nickel pieces. Owners of nickel coins have been reported to have sold their small holdings for several times their value.

S.M.C. Communique on Mosquito Fish

July 31.

The value of mosquito fish in the prevention of mosquito breeding was mentioned in an official communiqué issued yesterday by the Publicity Office of the Shanghai Municipal Council as follows:—

Some twelve years ago the S.M.C. Public Health Department erected several small fish hatcheries in Jessfield Park and after considerable experimentation and study of the habits and characteristics of several species of minnow including Paradise fish, it was found that the Gambusia affinis, a small viviparous top-minnow—imported from Philippines—was a prodigious eater of mosquito larvae.

These fish, through the courtesy of Mr. Cunningham American Consul General at that time, were obtained from the Bureau of Science—Manila, in the year 1924.

They were placed in ponds in the Wayside Park, McTier School, and in various private ponds.

For many years the department experienced difficulty in securing the survival of the fish during the Shanghai winter months. The ponds were also emptied from time to time by their owners for cleaning etc. without reference to the S.M.C. Health Department, with the result that the entire stock was lost.

Fish Are Acclimatised

In 1928 however when it was thought that all the fish had disappeared, a fortunate but accidental discovery was made of a shallow pond not far from Wayside Park which had, presumably carried there by floods, a natural stock of Gambusia.

Careful observation was made of this pond, and as far as possible certain ponds at Jessfield Park were adapted to produce similar conditions. Difficulties, however, were still experienced, owing to the death of fish during the winter.

Experiments and experience gradually overcame these difficulties, and eventually the fish appeared to become acclimatised and now ponds no longer have to be stocked each spring from the carefully attended stocks in the Health Department's Hatcheries, now situated in Kiaochow Park. This has resulted in the fish in some 150 ornamental ponds throughout the International Settlement emerging from their winter hibernation and breeding, and Gambusia affinis now assumes an important place in the control of malaria locally.

The successful establishment of permanent colonies of this fish is reported from any other parts of the world, a Rockefeller Foundation Report stating "the use of Gambusia in mosquito control continues to become more and more universal....in Bangalore the chief malaria sector, Anopheles stephensi, was successfully controlled by Gambusia....."

Mosquito Breeding Prevented

In Shanghai the weekly inspection of some 145 Gambusia stocked ornamental ponds in the Western District of the International Settlement, for the past two seasons, has shown that, provided marginal aquatic vegetation and floatage is periodically removed and care taken to prevent loss by flooding, large cannibalistic fish, etc., such ponds are remarkably free from the presence of the pupal, or final, stage of the mosquito's water life.

Most owners of ponds in private grounds have already recognized the value of mosquito fish in the prevention of the mosquito nuisance and have rendered valuable assistance both in care of the fish and in permitting removal of fish from over-stocked ponds to furnish other waters. Mr. H. C. Faulder (Malaria Prevention in Shanghai, China Journal, May 1939, pp305-312) asserts that the fish (Gambusia) have definitely proved of value in such places as ornamental ponds where the use of oil or other sprays might be objected to.

The S.M.C. Public Health Department maintains three large hatcheries at Kiaochow Park and supplies of the fish are available, at the low cost of $50 per thousand, through the Deputy Chief Inspector, Malaria Prevention whose staff will periodically inspect fish-stocked ponds, replace losses, advise and assist gardeners in care of fish, and how to look after them during the winter.

U.P. Far Eastern Chief Married in U.S.A.

Reno, July 31.

Miss Margarette "Sandy" Tittmann, of Hillsboro, New Mexico, who is well known in Shanghai social circles, was married yesterday to Mr. John R. Morris, Far Eastern manager of the United Press.

They were married by Judge William McKnight. Mrs. Milton J. Helmick, wife of the Judge of the United States Court for China, and aunt of the bride, and Mr. Nick Bourne, of Reno, were attendants.

The bride is the daughter of Mr. and Mrs. Edward Tittmann, of Hillsboro, New Mexico, and is well-known in Shanghai where she resided for several years as a guest of Judge and Mrs. Helmick. Judge Helmick, who made a special last minute trip to the United States from Shanghai, attended the wedding.—United Press.

Joining Singapore's R.A.F.

Mr. E. P. David, former Cathedral schoolboy and more recently with Messrs. Jardines, left late last week to join H.M. Forces in Singapore.

Chinese Detective Killed by Gunman

July 31.

Chen Chih-hung, Chinese detective constable 10, attached to Louza station of the Shanghai Municipal Police, was shot and killed at 8.10 a.m. yesterday while proceeding to work in a rickshaw at the corner of Fokien and Kiukiang Roads. The victim, who was 38 years of age and who had done three years' service with the police, was fatally wounded in the head. Taken to hospital in an S.F.B. emergency ambulance, Chen died on the way and was pronounced dead on admission.

In the shooting affray that followed, one of the assassins was shot dead by a Chinese policeman, another was seriously wounded, while three pedestrians suffered minor injuries from stray bullets. Probationary Sergeant L. P. Jackson escaped miraculously when one of the gunmen, finding himself in a desperate position, made a vain attempt to shoot his way to liberty. The foreign officer was shot at twice, one of the bullets piercing his tunic sleeve, while the other knocked his cap off. He escaped unscathed, however.

Shot from Behind

As far as it could be ascertained, Chen was riding in a rickshaw to report for duty at the Louza station and the puller was running along Kiukiang Road when the two gunmen appeared on the scene just near the corner of Kiukiang and Fokien Roads. As in many assassinations, the gunmen fired upon their chosen victim from behind. Several shots were fired by the assassins, one fatally wounding Chen, while others found their mark in two Chinese male pedestrians. One of the latter was hurt in the right calf, while the other sustained a wound to his right thigh. Both men were taken to the Lester Chinese Hospital, where their condition was not thought to be serious.

Their job done, the assassins took to flight and turned on to Fokien Road. Here they were noticed by a Chinese policeman, who, suspecting them of being criminals, challenged them. For an answer, the C.P.C. was fired upon, but the bullets missed their mark. The policeman retaliated and brought one of the assassins down, with a bullet in his abdomen. The man was later taken to the Police Hospital, where little hope was expressed for his recovery.

The pursuit after the second gunman continued along Fokien Road and then north along Chekiang Road. Another C.P.C. joined in the chase, but the policemen's shots failed to stop the fleeing desperado.

Stopped by P.S. Jackson

It was at the corner of Chekiang and Amoy Roads, some six blocks from the scene of the assassination, that the remaining gunman was finally stopped. Coming to the corner of the two streets, the assassin ran into Probationary Sergeant Jackson, who was patrolling in the district. Without giving the foreign officer a chance, the gunman opened fire at him, missing him miraculously.

The two Chinese policemen, meanwhile, ran up from behind and fired at the assassin from behind, killing him on the spot. During the pursuit, another Chinese male pedestrian was injured in the right thigh. He was also taken to the Lester Chinese Hospital.

More than thirty shots were fired in the course of the assassination and the ensuing pursuit, with police firing about twenty.

No motive for the crime could be ascertained yesterday, but it was believed that it had been inspired by revenge. Deceased, who spoke Japanese, was said to have been responsible for the arrest of several Korean dope runners in the past.

The death of Chen Chih-hung was deeply regretted by police officials yesterday as in him they had an efficient detective who put duty above everything.

Local Russian Announcer Banned by Police

Aug. 2.

Mr. V. V. Drozdoff, assistant editor of the "Russian Daily News" who is well known to Russian radio listeners here as a broadcaster of Russian war news, especially news items released by the Tass Agency, yesterday informed the "North China Daily News" that he will no longer go on the air over radio station XMHC as he has been informed that his broadcast has been banned by the French Police. The station, which is operated by the "Evening Post and Mercury" at 19 Avenue Edward VII, Mr. Drozdoff stated, had notified him that under the circumstances, his contract with them would have to be cancelled.

Mr. Drozdoff did not go on the air yesterday with his usual Russian news at 7 p.m. He declared that he was completely taken by surprise at the action of the French Police as the news he had announced daily was entirely devoid of propaganda. He emphasized that he had merely transmitted news, principally from Moscow, as he had obtained it.

Other Offers Received

It is believed that he has received numerous letters from radio stations in the Settlement asking him to continue his broadcasts to the Russian community here over their stations.

Russian circles here yesterday declared that the news broadcast by Mr. Drozdoff had been welcomed by local Russian radio listeners as it counteracted news in Russian, interspersed with Nazi propaganda, broadcast by a German radio station here.

Mr. Drozdoff admitted that he had received more than 200 telephone calls from sympathizers here who hoped that he would not desist from continuing his broadcasts of news regarding the war in Soviet Russia.

Yacht from Shanghai Reaches Midway

Honolulu, July 30.

The Navy yesterday revealed that the American registered, radioless 25-ton ketch Cynjo arrived at Midway island on Monday after a stormy 4,500 mile voyage from Shanghai.

The vessel needed water and provisitions. All the crew were in an exhausted state.

Aboard were Captain C. J. Sever, 29, his pretty, brunette wife, Mrs. Sever 28, Thomas Bowers, 27, formerly of the Seaforth Highlanders and Albert Wickdahl, 26.

(The Cynjo sailed from Shanghai on June 20 and was believed to have cleared the mouth of the Yangtze on June 22 after having been delayed in the river for one day.)

Mrs. Sever was considered too ill to travel further in the ketch, the Navy information said. The others showed signs of exhaustion.

The Cynjo's original destination was San Francisco via Honolulu. Capt. and Mrs. Sever built the Cynjo in Hongkong.

The Navy said that a navy launch towed the Cynjo into a lagoon at Midway after the vessel had requested assistance.—United Press.

Conservancy Dredger Seized by Nazis

Aug. 5.

The Whangpoo Conservancy Board is reported by the "Sin Wan Pao" to have lodged a protest with the German Consulate-General in Shanghai against the alleged requisitioning by the German government of a dredger in Danzig. The protest asks the Germans to return the dredger to the Chinese immediately.

It is recalled that the board placed orders for two dredgers with a German firm. One of the machines named the "Reconstruction" was delivered by the German firm six years ago and has since been in operation.

The other dredger, christened the "Renaissance", has never been delivered to the buyers on account of the war, it is said. It has been stranded in Danzig and despite all efforts to sail it to Shanghai it has been remaining in a dockyard in the former free city. It is alleged that the German government requisitioned the dredger on May 26.

Monument for Officers Killed at Hungjao

Aug. 5.

A monument commemorating the deaths of the late Capt. Isao Oyama and Third Class Warrant Officer Yozo Saito on August 9, 1937, shot dead in the Hungjao Airfield, thereby precipitating the Shanghai hostilities, will be erected with appropriate ceremonies on August 13, the Shanghai "Mainichi" reported last night.

The granite monument which is ten feet high will be set up on the spot where the two officers were killed. It bears an inscription written by Admiral Nobumasa Suetsugu, Chairman of the National Service Association's Central Co-operative Council.

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SHANGHAI NEWS (continued)

Buying Power of Local Dollar

Aug. 2.

THE purchasing power of the local dollar was reduced by 61.02 per cent. in July against 60.49 in June for foreign salaried employees and declined more than half a cent from 13.19 in June to 12.50 cents in July for Chinese workers here, according to the monthly indices of the cost of living issued by the Industrial and Social Division of the S.M.C. yesterday for July.

In the case of foreigners the report stated among other things:"Rising from 253.10 in June to 256.53 in July, the consolidated index of cost of living of foreign salaried employees in this city registered a slight increase of 3.43 points or 1.36 per cent. The purchasing power of the dollar was reduced by 61.02 per cent. in July as against 60.49 in June. Due to lowering of vegetable prices at this season of the year, the food index for all nationalities declined 0.87 per cent. Similar falls were shown during June and July last year. Rises in the other group indices ranged from 0.39 per cent. for clothing to 9.48 per cent. for miscellaneous items. The Russian index remained almost stationary, while the other general indices recorded rises of from 2 to less than 3 per cent.

Water, Trams and Buses

"In the Settlement, surcharges on water rates were raised from 110 to 250 per cent. on July 1; those for electric light, to 230.97 per cent. and power, 350.22 per cent. Bus and tram fares were also increased over 60 per cent. effective from July 14.

"The rent investigation conducted in July revealed that very little change took place during the April-June quarter. On the average, rents for single rooms, apartments, terrace, and detached houses were raised by 6.04, 3.12, 1.17 and 1.63 per cent. respectively. Wages for servants showed considerable increases. Average pay in July for a cook was $68.27; for a boy, $65.38; and an amah, $46.22; showing rises of 10.70, 19.59 and 20.21 per cent. over April last.

"Exchange rate of the Chinese national dollar in terms of U.S. currency weakened on July 9 but improved prior to the "freezing" of the Sino-Japanese assets in the United States on July 26. The exchange value of the Chinese dollar again weakened upon the announcement of the "freezing" decree. There was a rise in the commodity markets toward the close of the month."

Chinese Living Costs

Regarding the living costs of Chinese workers the report stated inter alia: "Owing to heavy increases in cost at sources of supply, combined with increased rates of freight, price of S.M.C. rice advanced from $110 to $116 per shih as from July 8. Developments in the Far Eastern situation and the fall in exchange rates since July 9 gave rise to increases, not only to imported but also to native rice. As a result of over supply of stock and forthcoming shipments, the prices later followed a downward trend. S.M.C. rice was offered at prices below the official limit of $116.

"Following the announcement of the freezing of Sino-Japanese credits in the United States on July 26, prices of rice as well as flour, oils, beans, sugar, coal, kerosene, cigarettes, soap, matches, etc., underwent another rise.

"The second semi-annual investigation of rent for 1941 showed that in 52.46 per cent. of the locations checked, rentals have increased since January last. The increase for rooms of one-story house averaged 5.05 per cent.; that of two-storey house without courtyard, 8 per cent.; and of two-story house with courtyard, 12.02 per cent."

City Hit by Hottest Day of the Year

Aug. 4.

Shanghai experienced its hottest day of the year yesterday as the temperature rose to 98 degrees to send the city's thousands scurrying for shade and breeze. Those, who found it possible, spend the day out of doors in the parks and on the outskirts of the city. Several thousand found relief at the local air cooled theatres, which did roaring business, while yet others found the few swimming pools ideal refuges from the sweltering heat.

The western outskirts of the city, particularly Hungjao Road, were scenes of increased activity as many Shanghailanders made journeys to an area beyond the heat of the paved thoroughfares, amid the scenery of green foliage.

But, what is bad for one man is good for another, and Chinese cold drink peddlers everywhere in the city were in demand, satisfying the thirst of the town's thousands of poorer class Chinese, who were unable to seek refuge in the parks or on the outskirts of the city.

One of the most remarkable sights of the day, and perhaps of the year, was a young Chinese, absolutely naked, but for a rag which he carried before him, walking down the Bund. Whether this was forced upon him by the heat or whether he wanted to evade being searched on the Garden Bridge could not be ascertained, however.

Swiss Here Observe National Holiday

Aug. 2.

Yesterday the Swiss Confederation became 650 years old and on such an auspicious occasion, the local Swiss community of about 200 took part in more elaborate celebrations than they have done during the last few years. A varied programme was mapped out, festivities starting at 7.45 p.m. and being climaxed with a dinner dance which opened at 9.15 p.m.

Prominent at all celebrations was Mr. Emile Fontanel, the Chargé d'Affaires and Consul-General for Switzerland. The Swiss community practically turned out in full force to attend the reception and cocktail party held by him in the spacious and gaily decorated grounds of his home at 1,469 Avenue Joffre. This part of the festivities opened at 7.45 p.m.

Flag-Raising Ceremony

When darkness fell, gay lights illuminated the garden and at 8.30 p.m. the Swiss community gathered around the flag-staff and stood at attention while the Swiss standard was run up into the breeze. This was an appropriate moment for the Swiss national anthem to be sung and a patriotic address by Mr. Fontanel wound up this part of the proceedings.

Owing to the current political situation, the celebrants were confined to the Swiss community with the usual list of official guests being dispensed with.

National Aspect Stressed

Celebrations towards the latter part of the evening took a more colourful turn and the national aspect of Swiss life was stressed. At 9.15 p.m. the dinner dance organized by the Swiss Club went off to a fine start with the garden of the Swiss Consulate-General presenting a fairyland of lights. During the course of the evening, a highly appreciated musical programme was provided, items including national songs by a special Swiss choir, hard-organ recitals, yodelling and flag throwing, the last-mentioned being a favoured past-time in Switzerland called *"Fahnenschwingen."*

Though yesterday was the actual gala day for the Swiss community, some observances of their National Day had taken place earlier. Last Sunday, local Swiss marksmen held their traditional shooting competition at the French Police Rifle Range on Route Frelupt. And yesterday, Swiss citizens here had the opportunity of hearing two of their leading men speak over Radio Station XMHA; the speakers were Mr. Fontanel and Mr. R. Von der Crone, Swiss representative on the S.M.C. Provisional Council.

Six Chinese Injured In Factory Fire

Aug. 2.

Six Chinese were injured and six houses were badly damaged early yesterday morning when flames broke out at the Yung Kee Underwear Weaving Factory in Lane 246 Thibet Road. Two of the Chinese, one of them a woman, were taken to the Shanghai Sanitarium Clinic in an S.F.B. emergency ambulance, while four other men presented themselves at the Shanghai Refugee Relief Association Hospital in Thibet Road, where they were given first aid. Their injuries were not of a serious nature.

The fire broke out at the underwear factory, occupying houses 23 and 25 in the lane, at 12.30 a.m. and spread quickly to adjoining Chinese dwellings in Haining Road. Machines from Sinza fire station, under Station Officer M. M. Loutit, were sent to the scene of the fire.

The flames were brought under control within an hour, but it was not until almost 5 a.m. that the fire was completely extinguished. The female victim sustained laceration of the back in making her escape from the burning building.

Gambling Dens Raided

July 30.

Determined to stamp out the gambling evil in the Western District by closing all gambling houses one by one, a party of officers and men from the Western District Special Police again raided two such gambling houses in Bubbling Well Road last night at about 6 o'clock. Many gambling sets and pieces of furniture were seized by the police in the Lee Yuan and Zing An Gambling Houses, two very small establishments which were found to be still operating yesterday afternoon. As business in such establishments usually started at about 9 p.m. there were only a few gamblers at the time and they all escaped.

"N.C.D.N." Photo.

650 Years of the Swiss Confederation

Gathered beneath a realistic replica of a Swiss chalet, a special Swiss choir rendered several musical pieces at the dinner dance organized by the Swiss Club and held at the home of Mr. E. Fontanel on Aug. 1. The picture shows the choir in its colorful setting; the anniversary date "1291" and "1941" can be clearly seen marked on the gables. Festivities carried on well into the night and marked one of the most elaborate Swiss celebrations held here in recent years.

Nanking Seeks Income Tax from Shanghai

July 31.

The new Nanking régime is trying to collect income tax from Chinese in Shanghai, including those living in foreign areas. It is announced in the new régime's press that branch offices of the Income Tax Bureau have been established in the Western District, Hongkew and French Concession and notices have been sent out to factories and commercial houses requiring them to make reports on profits made during 1940. The notices give 20 days in which to make such reports but at a meeting held on Tuesday, merchants expressed their wish that a longer period should be allowed.

Hope was also expressed at the meeting that the tax would be collected in a universal manner. It must not be collected in Chinese territory alone, but also in the foreign areas. It was also decided that the Chamber of Commerce Readjustment Committee be ordered to organize a special committee in order to discuss the best methods of collecting the tax in accordance with the old procedure followed by the old Kuomintang government.

It is also rumoured that the reason for the increase of prices of cigarettes during the past few days is the impending increase of the consolidated tax by the new régime's Consolidated Tax Bureau in Shanghai. The increased rates are to go into effect tomorrow, according to a cigarette dealer.

De Gaulle Reaffirms Belief in Victory

Aug. 1.

In reply to a telegram sent to General Charles de Gaulle, leader of the Free French, by the Allied Federation of Shanghai on July 14, the following message was received yesterday from Beirut:—

"I much appreciate the message sent to me by the Allied Federation of Shanghai on the occasion of France's National Day and I assure you of my faith in the final victory.

(Signed) GENERAL DE GAULLE.

P.W.D. Foreman Victim Of Armed Abduction

July 30.

Detectives of the Western Area Police yesterday were busy trying to ascertain the whereabouts of Chu Cheng-san, a foreman of the Public Works Department, who was kidnapped by five gangsters near the Yenping Road office of the P.W.D.

The victim who has been in the employ of the Council for the past ten years was being driven to his office in a P.W.D. car which was stopped by the kidnappers.

Brandishing pistols, the abductors got in and compelled the chauffeur to drive in a westerly direction. Later they forced the driver to alight while one of the gang took over the wheel and drove away with the victim who had not been heard of since. The car later was found in Keswick Road.

Car Licence Plan

Aug. 3.

The uncertainty which has prevailed for some time among owners of cars resident in the Western area regarding the necessity of taking an extra licence with the Western Area Special Police will be interested to read of a proposal by Mayor Chen Kung-po of a joint car licensing system between the Settlement police, the French police and the authorities of the Western district. The following statement was issued by the Chinese authorities here yesterday regarding the scheme for one licence plate for the three administrative districts:

"The financial problems of Western Area have been under discussion for the past several weeks and many difficulties have been overcome. One of the items blocking the way of progress in the discussion is the auto licence issue.

"Joint auto licence system means that the owner of an automobile pays a licence fee to one administration of a district to enjoy the privilege of driving his car in the other two districts—that is, if an auto licence fee is paid to the S.M.C. it will be permitted in the districts of the F.M.C. as well as of the S.S.M.G. and vice-versa.

"Mayor Chen Kung-po has in his mind to improve good feeling among different nationals in Shanghai and to avoid conflict in cases of auto licences. With the spirit of co-operation between the authorities concerned, he has been discussing this matter with the earnest desire at obtaining approval of the above scheme.

"We may hope that this joint auto licence system will be enforced and so auto owners will enjoy more driving and less expenses."

Six Nantao Gambling Dens Cease Business

Aug. 3.

Indicating that the authorities of the Chinese city regime in Shanghai are trying to force gambling houses in Nantao to close business by levying a very heavy tax, the six biggest Nantao establishments closed their doors yesterday because of their inability to raise the tax money, it was learned from reliable Chinese sources. Some of them may reopen later if they are able to pay.

On Friday, it had been reported in the "Chinese-American Daily News" that an order had been issued by the Chinese City Government requiring each of the six biggest gambling houses, including the Lu Pao and Tung Ching "Tea Houses," to pay a tax amounting to $3,000 daily. The order was to have become effective on Friday. Managers of the establishment decided to close business because they were unable to pay the tax seeing that they had already promised to pay other taxes, including the "business tax," it was said.

THE health report of the French Municipality for the week ending August 2, shows that the total number of deaths from all causes amongst the foreign and Chinese population in the Concession was—Foreigners 6 and Chinese 190. Deaths from notifiable diseases were—Foreigners, tuberculosis 2 and pneumonia one. Chinese, tuberculosis 24 typhoid and paratyphoid fevers 23; dysentery 11; pneumonia 3; beri-beri 3; cholera 2 and diphtheria, cerebrospinal meningitis, erysipelas, septicaemia one each.

"Tutuila Bombing Not Deliberate"

Aug. 2.

That bombs must have fallen close to the U.S.S. Tutuila was admitted by Comdr. Hazama, navy spokesman at yesterday press conference here. But he flatly denied that the alleged bombing was deliberate as stated, he believed, by some U.S. Congressmen.

A report from the naval air squadron which flew over the Tutuila had been received, said Comdr. Hazama, and it stated that photographs clearly showed one bomb exploding 350 metres from the American vessel. He believed that photos had not been taken of all the bombs but said there was little doubt that some had fallen close to the Tutuila. Admiral Glassford had made representations and Admiral Shimada had expressed his regrets to the American admiral.

Told to Take Care

Where the Tutuila was stationed the river was only 300 metres wide and the Japanese planes which were aiming at Chungking military establishments in the vicinity were in mass flight at a great altitude. Only a slight miscalculation may have been responsible for the incident which was entirely accidental, said Comdr. Hazama who spent some time explaining the difficulties of accurate bombing.

Comdr. Hazama mentioned that British planes had dropped bombs on the Danish coast when they were trying to bomb the German coast.

Coolie Stabs Woman, Commits Suicide

Aug. 2.

Angered by the faithlessness of his alleged mistress, Keu Zao-tseu, 39-year old unemployed coolie, seriously wounded Mrs. Tseu Nyoh-ying, by stabbing her several times in the throat at 130/10 Rue Marco Polo at 6.30 a.m. yesterday. The victim was in bed when the infuriated man attacked her. Keu then committed suicide by cutting his throat.

The French police, investigating the affair, found a letter, written by Keu, in which he stated that he had made up his mind to kill the woman for leaving him for another man.

The woman arrived in Shanghai with her husband about four years ago. Later she forced her husband to return to his native town, while she herself remained here.

The victim met Keu in a Chinese lodging house where he worked as a coolie and the two became lovers. Recently, however, she left him and went to live with a wharf coolie.

Yesterday morning, when the wharf coolie was at work, Keu entered the room and attacked the woman. Her condition was said to be serious, but not hopeless.

Japanese Health Official Leaving

Aug. 2.

Mr. Taro Sato, Health Commissioner in Shanghai representing the Japanese Ministry of Welfare, has been appointed to the health department of Kanagawa Prefecture in Japan, according to the "Tairiku Shimpo" yesterday. Mr. Sato will leave Shanghai to assume his new post on August 15 aboard the N.Y.K. liner Kamakura Maru. Succeeding him will be Mr. Seizaemon Matsuba, official of the Japanese Ministry of Welfare.

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Redoubled Efforts Required

July 30.

SUPPORTERS of the Voluntary War Contribution Fund are urged to redouble their efforts during the next two weeks in order that contributions sent to H.M. Treasury may be pushed past the £200,000 figure by August 15. This date is a significant one, as it will be exactly one year since the first remittance was sent to Britain, and no fitter observance could be made of the anniversary than a united effort which would realize the goal of £200,000.

There is still some way to go as only £6,500 has been subscribed since the last list was issued and the present figure stands near $188,000; this means that approximately another £12,000 is needed before the present aim is accomplished. Despite the heavy drain on local purses, there is every confidence that subscriptions will be heading for £200,000 in the second half of August.

"Old reliables" and all new subscribers are requested to send their contributions to the Hongkong and Shanghai Bank or to the Chartered Bank for account of the Voluntary War Contribution Fund.

The statement of accounts and latest list of subscribers follow:—

DOLLAR ACCOUNT

Subscriptions received since last list	$73,047.34
Transferred to Sterling since last list	73,047.34
	Nil

STERLING ACCOUNT

Balance brought forward	£ 334-11- 4
Subscriptions received since last list	5,511- 0- 0
Transferred from dollar account since last list	969- 8-11
Balance carried forward	£6,815- 0- 3

STERLING

Mr/Mrs. D. J. Sinclair	5
Anonymous—through the American Committee for Allied Relief	25
Mr/Mrs. G. E. Marden	100
Foochow Remittance	11
Veritas Co. (Far East) Ltd.	2
British members of the Staff of The Imperial Chemical Industries (China) Ltd.	99
Chungking Remittance:	
G. Rogers	20
Residents of Swatow	50
J. C. R. Welles-Henderson	4
Mrs. J. E. O. Davidson	10
Hongkong & Shanghai Banking Corportion—Shanghai	5,000
Inniss & Riddle (China) Ltd.	20
Mr/Mrs. W. Mellor	5
C. H. Arkwright 25 R. D. Raife	4
Mrs. W. S. Burns 10 E. Lewis	3
M. Ezra 100 B. K. Wallace	6
G. H. S. Fewkes 1 D. F. C. Cleland	10
J. T. Johns 2 W. H. King	6
R. H. Robertson 5	

CHINESE DOLLARS

Mr/Mrs. S. G. Crank	$200
Woodcraft Works Ltd.	3,000
Mr/Mrs. E. F. Toeg	1,000
Mrs. D. J. L. Cumming	100
A. Fischer-ffoulkes	700
In memory of Robert from J. Jackson, Sr.	1,000
Mr/Mrs. H. L. Bridger	50
Proceeds Sale of Sweeps in the Cathay Bar	35
British United Services Association Shanghai Boxing Tournament July 3, 1941	21,056
Mrs. Liu's Palmistry	80
H. Willgoss "Compact Rafle"	30
Common Room P.S.G.	63
Builders & Traders, Ltd.	2,000
British United Services Association Shanghai Boxing Tournament July 3, 1941—Further contribution	50
China Import Co.	100
Mr/Mrs. A. MacKinnin	100
The end of a perfect day at Yangtszepoo	100
Sale of garden produce	400
Patons & Baldwins' Children's (Party) Raffle	10
Mrs. E. M. Newton	50
Mr/Mrs. H. L. Hayward	50
In memory of David Mitchell—A. E. Fenton	25
Proceeds of refunded motor car licence plate	8
Mr/Mrs. Sidney J. Toone	200
Boyes, Bassett, Ltd.	1,000
British Members of the Staff of The Imperial Chemical Industries (China) Ltd.—June	1,700
James H. Taylor	600
B. A. Someck & Co.	1,000
N.H.L.—Lying Dice	100
In memory of Fred J. Brand—Mr/Mrs. H. Ellis	25
Finance & Commerce Ltd.	750
Radio Station X.C.D.N.	240
W. R. McCutcheon	150
Radio Station X.C.D.N.	165
In memory of Miss Margaret M. Sutherland Mr/Mrs. Hans Berents and Lillemor	20
From Jane McNeill, Nancy Williams & Rosemarie Stockley —proceeds of children's fun fair	261
Miss Ethel Simpson	35
Chas A. Howard	500
Wong Ling Kee 50 Mrs. F. Rampling	20
Buccaneer .....8 A. V. T. Dean	1,000
Matches .....30 H. V. Tiencken	2,000
E. C. Smith ....100 J. Meck	200
Au Revoir .....5 Anonymous	5
Golden Pond ....600 Anonymous	100
A White Russian 70 Anonymous	1,000
Mr/Mrs. R.F.G. 1,000 C. H. B. Joly	300
J. Irvine .....300 Edward J. Lloyd	50
A. G. Tilton ....10 Vasunia & Co.	100
P. C. Mudie ....700 P. B. Shroff	25
R. B. Page ....200 A 6 thrower	50
I. G. .....10 H. F. Baptiste	50
J. J. Evans .....30 Anonymous	10
I. A. Levis .....30 New Dice	5
Ollie-Wollie ....150 H. & M.	10
Thais .....500 C.S.A.	30
Minutti & Co. ...500 R. C. Hampton	1,000
China Import Co. 100 I. R. A. N.	45
W. .....30 C. S. C.	25,000
P. B. Bhedwar .50	
Chungking Remittance:	
H. Clements ...100 F. Bird	350
Some Members of the Staff of S'hai Telephone Co.:	
Mrs. V. M. Moore	10
Mrs. E. R. Adam ..5 Mrs. H. Picozzi	30
Miss R. Arnsberg 10 H. F. Pringle	30
Hastings .....20 J. T. Rogers	150
J. W. Dearn ....40 J. E. Vickery	5
H. Graham .....40 A. J. Wright	10
S. P. Karanjia ...20	
In memory of Miss M. M. Sutherland: Frances & Jessie Stewart	20
The Petigura Girls	20
Chungking Remittance: P. M. Philippidis	50

War Savings Week Netted £90,000

July 30.

An amount of £93,768.4.2 was remitted by the Shanghai War Savings Association to London on July 28, with instructions to invest it in 2½ per cent. National War Bonds. This sum was a total of the contributions received by the Association during one month ended July 26, and included contributions received during "War Savings Investment Week", which ran from July 9 to July 16.

Giving allowance for an amount about £3,700 which was the amount of contributions received during the previous month, as being the amount that would have been contributed without the special appeal, it leaves an amount of about £90,000 as being the sum contributed for "War Savings Investment Week."

The amount invested or held for investment in 2½ per cent. National War Bonds by the Chartered Bank of India, Australia & China in London now totals £155,779.11.10. This includes the interest earned on investments up to June 30.

Central British War Fund (Shanghai)

MONTHLY SUBSCRIPTIONS

Certain British members of the staff of the Imperial Chemical Industries (China) Ltd.	1,200
Members of the staffs of Messrs. Butterfield & Swire, China Navigation Co., Ltd. & Orient Paint, Colour & Varnish Co., Ltd.	1,026
Buckley, Mr/Mrs. T. A.	10
Barbey, G.C. ....10 Sadler, G.	10
Berthet, R.A. ....20 Simpson, J.K.	25
Brown, W.J. ....25 Spiklins, T.	20
Cunio, E.C. .....3 Taylor, R.	20
Davidson, D.H. ..10 Teller, E.	10
Eatson, J.W. .....10 Theobald, C.H.	10
Emamooden, S. ...5 Turner, W.	10
Graham, A. .....10 Waller, E.H.	5
Henry, W.C. .....20 Watson, T.	10
Keogh, P.G. .....10 Whitter, J.T.	25
D.K. .....10 Wood, T.H.	10

DONATIONS

IN MEMORY OF T. O. BORRITSON

Baxter, R.	100

IN MEMORY OF A. L. JOHN

Gwynne, Mr/Mrs. Thomas	25
Mr/Mrs. V.S.C.	25

IN MEMORY OF FRED J. BRAND

Alma	10

IN MEMORY OF TED PHILLIPS

Al & Pat	25
Bunny, Eamon, Eloise/Rory	25

IN MEMORY OF MRS. ALICE PARSONS

Aileen/Harry Parsons	10

IN MEMORY OF MISS MARGARET M. SUTHERLAND

Stella, Auth & Lulu	$20
Bennett, Mr/Mrs. P. W.	50
Kelly, Miss F.E.	10
Weaver, Mrs. F.W.	20
Hicks, Mrs. E.M.	100
Sparks, Miss S.G.	10
Hodgson, Miss D.	50
Merritt, Mr/Mrs. C.J	20
Rozenbaum, Adrienne	10
Thompson, Beatty	5
Pollock, Mr/Mrs. A.	50
Soutter, W.E. and L.S.	40
Berghia, E. Hess/L.	10
Abraham, Miss ..25 Holland, A.F.T.	20
Irene, B. .....10 Ballingall, May	10

DONATIONS

Form V Upper A, Public School for Girls	20
Golf with Mortimer	31
British Residents' Association—Waste Paper Sub-Committee	720
Farewell to L.C.H.	110
Gilroy, Mr/Mrs. H. J. E.	50
British Residents' Association—Waste Paper Sub-Committee	4,292
British Residents' Association—War Efforts Sub-Committee—Books	548
Shanghai Voluntary Blood Transfusion Service	58
Profit of "The Tower" Night Club for June 1941	5,310
Contribution from the N.O.B.S.	10,000
British Residents' Association—War Efforts Sub-Committee—Stickers	210
Poker .....31 Jane	200
Johnny/Dore ....8 Nos. 74/77	12
Anonymous ....100 Lee, John S.	25
Hilberne, C.K.G. .15 Anonymous	1,500
Bet .....5 False Link	27
J.A.A.B. .....50 A Friend	100
A Game of Crazy 5 K. & S.	40
Paintings—I.A.D. 30	
	$2,512,433

STERLING

Balance brought forward	£26,179

MONTHLY SUBSCRIPTIONS

Anonymous	2
Certain British members of the staff of the Imperial Chemical Industries (China) Ltd.	19

DONATIONS

Shanghai Voluntary Blood Transfusion Service	2
Davidson, Mrs. J.E.O.	10
	£26,213

Anonymous	200
In memory of Miss Margaret M. Sutherland:	
Mrs. N. Richardson/Marjorie	50
Gwyneth/Benda Brown	25
Miss Olivia M. Williams	25
Misses Margaret & Patricia Baptiste	10

B.R.A. Appeal for Empty Bottles

Aug. 1.

In a recent issue of the "Times Weekly Edition" it was stated that the Ministry of Supply is planning its own version of "War Weapons Week" in local drives to stimulate the collection of waste paper, metal, etc. It is calculated that household salvage in Great Britain has already provided 60 shiploads of paper and enough metal to build 20,000 tanks; and the value of salvage collected by local councils alone, has risen to nearly £200,000 a month.

Bottles Needed

Public response to collection here in Shanghai has been very good, though there is still ample room for "stimulation." The particular group in need at the moment is the Bottle Group. Supplies have dwindled during recent months, and this state of affairs must be improved as soon as possible. It is not expected that the "olo custom" of returning empty soda-water, beer, ginger-ale bottles, etc., to the compradore be interfered with, but every household accumulates sundry bottles of all shapes and sizes as well; it is these that can be made use of and resold for the benefit of British War Funds, and the public is asked to save them all and, if possible, to deliver them to one of the following depots:—

Auto Palace, 100, Rue Cardinal Mercier; R. H. Feigate & Company, 1547, Bubbling Well Road; Shanghai Gas Company, 1304, Avenue Joffre; Shanghai Gas Company, 709, Bubbling Well Road; Fraser Motors, Ltd., 36, Great Western Road; Shanghai Rowing Club, 76, Soochow Road.

Collection Arrangements

If those finding it impossible to deliver the goods will telephone or write to Mr. A. W. Moss, c/o Shanghai Municipal Police Headquarters, 185, Foochow Road, Tel. 15380, arrangements will be made for collection.

Waste paper, scrap metals, bottles, silver paper, stamps, unwanted books, etc., all are precious today and salvage is one of the supply columns of the Battle of the Atlantic.

Anti-T. B. Association Acknowledgments

Aug. 4.

The Shanghai Anti-Tuberculosis Association acknowledges with thanks the following donations, membership dues, etc., from July 1 to 31, (both inclusive):—

	CN$
Shanghai Municipal Council	1,250.00
Loterie de Bienfaisance, S.A.	1,000.00
Raw Cotton Traders, Ltd.	501.00
Federation of Shanghai Charity Organizations	500.00
International Recreation Club	500.00
Mr. H. McPhail	300.00
Mr. T. C. Pan	200.00
Sino-Foreign Group of Shanghai	150.00
Mr. H. C. Umrigar $101, Mr. Y. H. Cloarec, Mr. and Mrs. Ralph C. Wells $100 each	301.00
Dr. W. S. Fu $60, Mr. E. H. Himrod $50, Mr. T. K. Ho, Mr. N. Rashin $25 ea., Mr. Poy G. Lee $20, Burmeister and Wain Ltd., Oriental Dispensary, Mr. L. H. Shen, Mr. A. H. Young $10 ea., Mrs. Tsai Chang Shih $6	226.00
GIFTS DESIGNATED FOR SHANGHAI HOSPITAL	
Endeavourers Church	500.00
Anonymous	360.00
Mr. and Mrs. S. T. Chang, Mr. W. S. Chiao, Mr. H. L. Hou, Mr. Percy Kwok, Mr. Walter Kwok, Mr. Y. Low, Mr. William Y. L. Shao, Mr. P. Y. Sun, Mr. T. L. Sun, Mr. M. T. Tsao, Mr. T. T. Zee $100 each	1,200.00
Miss Nellie Kingman	15.00
	CN$7,003.00

Mrs. Henry Alvah Strong .....U.S.$100

Furniture Shop Robbed

Aug. 1.

The Sun Tah Funiture Company at 213 Peking Road fell victims to a trio of armed robbers yesterday afternoon at 3.20 when gangsters invaded the premises and made off with a loot of $4,650 in cash. During the course of the robbery, the armed men met no less than six persons in the shop but with the help of a revolver and a Mauser pistol they had no difficulty in cowing the inmates.

Upon entering the shop the armed robbers met the proprietor and two assistants. Leaving one armed man on guard, the other two gangsters went upstairs to the first floor where they met three more assistants. Demanding to know where the safe was, and finding that there was none, the pair ransacked the room and managed to find $4,650 in an unlocked drawer. The entire shop staff was herded together prior to the robbers' escape. When all likelihood of danger was dispersed, the shop assistants notified a Chinese police constable.

Peace Preservation Corps

Aug. 1.

Organization of a Peace Preservation Corps by the Shanghai Special Municipality will be completed today the "Tairiku Shimpo" reported last night.

Mayor Chen Kung-po will announce the formation of the Corps at its headquarters, the former site of the Municipal Government's Police Bureau.

Mayor Chen will hold a dinner reception in the evening, to be attended by many Japanese and Chinese, at the Astor House Hotel.

St. Dunstan's Thanks C.B.W.F.

July 31.

"THOUSAND thanks generous gift five hundred pounds appreciate your thoughts of us present time. Fraser, St. Dunstan's.

Sir Ian Fraser, Chairman of St. Dunstan's, cabled this message on July 22 to the President of the Central British War Fund in acknowledgment of a remittance telegraphed to London on July 12. Last year the Fund sent a similar donation.

In a letter to the Fund's Secretary dated June 7 which arrived about the same time as the telegram, Sir Ian, himself blinded, describes how the newly blinded are being taught to play as well as to work. The whole aim of St. Dunstan's is admirably summed up in this sentence:—

"We want every man who comes under our care to learn to live as like a sighted person as possible".

And that means of course that the blinded should be able to take part in the amusements of their sighted friends, play certain games, dance, swim, enjoy themselves.

Early Days of Blindness

"Here then", writes Sir Ian, "are some of the things we are teaching them to do in the early days of blindness.

"First of all I must mention dominoes—with raised pips—which are a never ending source of amusement. They are easy to handle and distinguish and the learner can soon join the game. Dominoes are simpler for the beginner to master than cards. It takes some time to accustom oneself to Braille cards as it is not only a question of distinguishing the Braille signs, but of getting used to sorting the cards, and in the case of Bridge of training the memory. For the newly blinded cribbage is a good game, as there are not so many cards to handle at one time, and solo is useful as a preliminary of Bridge.

Darts Played

"Darts also make good entertainment for blinded men. We use the ordinary board and darts, but waive the rule governing the sighted game that a player must begin and end with a "double". There are various ideas as to the best method of directing the player, some prefer to feel the board and walk backwards from it and others to be placed so as the head is in a direct line with it, and again others either to the right or left of the board, according to whether they are left handed, one armed, or as in some cases have side vision.

"We have a number of Talking Book Machines in the Centre. The choice of books for the men falls into the category of mystery and adventure, but with the old war men, I have noticed their taste often widens and they find pleasure in travel, history and biography. As men become familiar with Braille, some of them prefer to read to themselves.

Cinema Attended

"There is a local cinema in the small town where our Hospital and Training Centre is established. This draws quite a number of the younger lads, as they know so many of the actors and actresses from frequent visits to the pictures before the war. They are accompanied on their visits by escorts, or personal friends who give explanations, or descriptions when necessary. Musical films are generally the most popular, although a good deal of interest is aroused by the Anti-Nazi propaganda films, as the subjects very often so closely concern themselves.

"Now to turn to Sport—the rowing season has just started. A nearby club kindly lends us boats on a well known river close to our Centre, and some young members of an equally well known public school help us as coxes. At present rowing is used as an exercise, but no doubt later on races will add zest to life. Clock Golf forms a pleasant pastime, particularly on Sunday mornings after Church Parade. A club rattled in a hole, or in the case of a semi-sighted man, a white handkerchief held above it, gives direction sufficiently well. Last summer a croquet tournament caused keen interest—the direction is given in the same way as clock golf. There could never of course be competition with sighted players, but it makes a good game on our own.

P. T. Class

"Two Army sergeants are helping us to run a physical training group every morning before breakfast. Up to the present the number attending is rather small."

In addition Sir Ian relates that an enthusiastic start has been made with a band and concert party. The band it is hoped will before long provide the music for St. Dunstan's dances. Apparently the new generation with their considerable experience of dancing learn to manage without their sight so rapidly that regular dancing lessons have been discontinued.

Sir Ian concludes his letter "As I came to St. Dunstan's myself in 1916 I know the importance of learning to look upon blindness as a temporary misfortune and I am particularly anxious that these young men should have as thorough a training as we received."

Contributions to the Central British War Fund have a share in his work and his ambition.

In the First Special District Court on August 1, Pan Yung Wo, the licensee of the Wei Lee Hoh Kee Dairy Co., was fined $30 for submitting three samples, which upon bacteriological examination, were found to be below standard.

B.R.A. Supporting "V" Movement

Aug. 2.

At the meeting of the General Committee held on July 29, amongst other matters considered was the "V" movement, and it was decided to offer whole-hearted support of the Association to further the movement in the Far East within all reasonable limits.

Attention was drawn to the length of time it takes under the changed regulations to secure American visas, such as would be required by British nationals intending to travel to Canada via U.S. ports, and it was decided to enquire through suitable channels whether some revision of procedure might be considered, whereby British nationals wishing to travel to Canada via U.S. could be enabled to obtain the necessary visas in the shortest possible space of time.

Donation Acknowledged

The Committee recorded with much appreciation a donation of $5,000 from the Tanah Merah Estates Ltd. to the general funds of the Association.

Letters have been received from a member concerning "squeeze" on motor omnibuses in the Settlement. The Committee, after taking the matter up with the China General Omnibus Co., Ltd., is of opinion that, whilst the company is doing everything possible, the full co-operation of the travelling public is essential if the evil is to be eradicated and that this can best be done by all passengers insisting on receiving new, unused tickets for the correct fares for the distances to be travelled.

R.A.F.A. Presentation to Sir Victor Sassoon

Aug. 2.

A touching ceremony was held yesterday at the weekly meeting of the R.A.F.A. in the Dome, when Sir Victor Sassoon, past president who soon is leaving for a trip to India, was presented with a silver tankard, emblem of the association.

Mr. V. J. B. Holland, President, in handing Sir Victor the memento, pointed out that the gift was a token of the esteem in which the membership held the recipient. In a way it could be considered an expression of gratitude by the organization for the work which Sir Victor had done on its behalf. Sir Victor, he added, had the three characteristics, which so few possessed—to inspire the love of his fellows, attain popularity and command the respect of all.

Inscribed on the tankard was:

"Presented by members of the R.A.F.A. to Sir Victor Sassoon, Bart, President R.A.F.A., 1939-1941."

Enamelled victory "V" badges donated by the guest of honour, a St. Andrew's Cross, with a black "V" in the centre, were distributed and a considerable sum to the War Fund was realized. Similar brooches for ladies also were well received.

Death of a Prominent Swiss Industrialist

Shanghai, Aug. 3.

With the passing of Mr. Sidney Brown, on the day the Swiss Confederation was preparing to celebrate the 650th anniversary of its foundation (Friday) and in the 50th year of existence of the firm which, together with his brother Mr. Charles Brown and Mr. C. Boveri, he had founded in Baden, Switzerland, that country loses one of the outstanding figures of its industrial development.

Though of British origin, the Brown family faithfully served their adopted country and, with the Sulzers, to whom they are related by marriage, have largely been instrumental in building up the highly developed heavy machine industry for which Switzerland is now famous.

After a long technical and administrative career full of notable achievements and a life devoted to the progress and welfare of all who had the great privilege to work under him, Sidney Brown had for the last few years gone into pirtial retirement, though he was ever ready to give the help of his keen judgment when difficult problems confronted the management.

The unexpected collapse of France must have been a cruel blow to him who loved the French people and their capital and never failed to spend a few weeks each year in Paris.

The death of this great and kind man will be deeply deplored by all who met him and had occasion to enjoy the never-failing hospitality which awaited visitors to his beautiful home in Baden.

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SHANGHAI NEWS (continued)

S.F.B. V.R. Holds Annual Outing

Aug. 4.

THE Volunteer Reserve of the Shanghai Fire Brigade held its annual "Outing" at the Hongkew Wharf yesterday morning under the personal direction of Mr. R. G. Watkins, Third Officer of the Shanghai Fire Brigade and Officer in charge of the Volunteer Reserve. As in former years, the event proved to be most successful and was greatly enjoyed by everyone present. Special thanks are due to Mr. G. D. Grant, Wharf Superintendent, for kindly granting the use of a section of the wharf for the occasion.

The "Outing" also gave opportunity to the members of the Volunteer Reserve to express their appreciation of Mr. H. H. Miller's work for the unit as their Drill Instructor. Mr. Miller, who is the Station Officer of Central Station, has resigned from the Brigade and is leaving with his family for Canada in the near future.

Record Attendance

The event was attended by a record number of Volunteers, consisting of Volunteer Officer A. F. T. Holland, Assistant Volunteer Officers S. C. Smith and G. A. Johnston and twenty members of the unit. In addition to these, fifteen professional officers, including Capt. H. G. Reed, Chief Officer of the Shanghai Fire Brigade, were also present. The large attendance at the event was especially gratifying to all the Volunteers and added considerably to the fun.

During the morning, the newly joined recruits received their baptism of water, some of the "old hands" making it their business to give them a good drenching at every opportunity. The recruits however, showed that they could take it and, when their turn came to be in control of the nozzles, they nearly washed some of the "old hands" off the wharf and into the Whangpoo. The proceedings in the main, during the morning, were informal, the routine of drills and the yoke of discipline being temporarily dispensed with to give place to a real holiday spirit.

Presentation Made

The "Outing" started at about 8.15 a.m. and the Volunteer Reserve turned out from Central Station on two machines, which proceeded direct to the Hongkew Wharf. The unit was then formally paraded in full uniform under the command of Volunteer Officer Holland, and a presentation of a silver cigar box was made by Mr. Holland on behalf of all the members of the Volunteer Reserve to Station Officer Miller, who has been the unit's instructor since early 1939.

In presenting Mr. Miller with the memento, Mr. Holland, briefly but eloquently, outlined the departing Officer's valuable work for the unit and wished him and his family good luck in their new venture.

Third Officer Watkins also praised Mr. Miller for his sterling work and help in all the activities of the Reserve, and said he knew that Mr. Miller's departure would be a severe blow to the unit and that his unfailing patience, keenness and enthusiasm which had contributed so greatly in the past to the progress of the Volunteer Reserve, would be sorely missed.

The parade was dismissed with three hearty cheers for Mr. Miller and from the enthusiasm with which the cheers were given, it was very clear of the great esteem held by the entire unit for their instructor.

Informal Competitions

The "Outing" was continued with a very interesting demonstration after an official photograph had been taken and an opportunity had been given for the unit to change their uniform for a more informal rig. Breathing apparatus, resuscitating, and rescue appliances by the Shanghai Fire Brigade Rescue Squad, the emergency tender being in attendance, and the uses of the oxygen breathing masks and smoke helmets were demonstrated by members of the Rescue Squad under the direction of Third Officer Watkins, who explained the uses and main features of the various appliances.

The remainder of the morning was entirely informal and was devoted to impromtu competitions, consisting of laying on with wet hose and knocking down of targets by rival teams. This soon developed into jet fights between individuals and groups of both Volunteers and professionals, resulting in both participants and on-lookers getting thoroughly wet, much to the amusement of everyone.

All hands then sat to a very enjoyable picnic lunch, during which Volunteer Officer Holland took the opportunity to voice his thanks and appreciation and that of all the unit to Mr. Watkins and the other professional officers by whose splendid organization and co-operation the very enjoyable and successful outing was made possible.

At 1.30 p.m., the two fire machines were again manned by some very tired and wet crews, who returned to Central Station, all unanimous in their opinion that they were sure this was the best outing the Reserve had ever enjoyed.

THE "New China Daily News" states that on the evening of July 28, a sulphuric bomb exploded under a gambling table in the Si Yuen gambling den near the Old West Gate in Nantao. Three gamblers were injured and a suspect was arrested, claims the paper.

Transportation in Concession Stopped

Aug. 5.

Resentment by motormen and conductors of the Compagnie Francaise de Tramways et d'Eclairage Electriques de Shanghai (French Tramway Company) over what they termed the higher percentage of increase granted by the company to foreign employees flared into action yesterday afternoon resulting in a complete stoppage of the company's transportation services in the Concession.

As if by a preconceived plan operators and conductors of buses, trams and trolleys in the Concession simultaneously stopped work at the same hour yesterday afternoon and many machines were stranded in the outskirts of the Concession as on a previous occasion. At a given time the conductors stopped the machines and walked out leaving the company to take the machines back to the depot in the best way they can.

Up to a late hour in the afternoon members of the French military unit rendered every assistance in bringing the machines back to the depot.

Volunteers Offer Services

Although the strike came suddenly in the heels of certain representations which the operatives made to the company news of it spread rapidly. There were a number of Russian volunteer workers who called at the offices of the company in Avenue Dubail to offer their services to replace some of the strikers.

The strike was not unexpected as a report of an impending walkout on the part of the men was published earlier in the day. The report emanating from a Chinese source stated that the disgruntled workers had appointed delegates of July 31 to negotiate with the management for an increase in wages which was subsequently granted. It was claimed that the men were dissatisfied with their increase which was on a percentage far below that granted to foreign employees of the company recently.

Prompt action was taken by the French police against aggravation of the trouble and as on former occasions the office and plant of the company on Avenue Dubail were placed under special police surveillance with the appearance again of armoured cars.

Fewer Strikes As Many Return

Although better than in the last few days, the local labour situation continued to involve several hundred Chinese employees of various concerns, the total number said to exceed three hundred. The weeks-old disputes at the Shriro Bros., Maxwell Zip Fastener Co., and the Sun Co. Tea Room remained without change, with the Maxwell Co. still locked out and with operations suspended.

The new addition to the ranks of the discontented involves the workers of the Cathay Metal Press Works, at 29 Funing Road in Yangtszepoo. The employees of the concern declared a "sit-down" strike on Saturday at 6 a.m. to enforce their demand for improved treatment. The situation was without change yesterday.

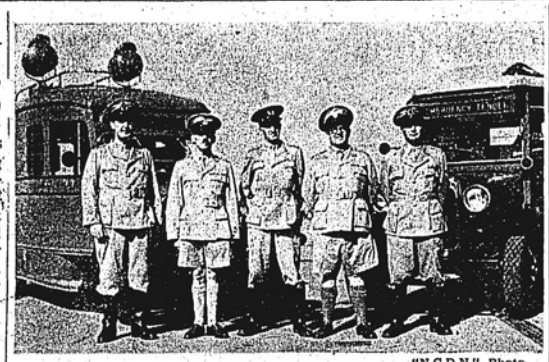
Another dispute, now partly settled, has been going on at the Toa Tobacco Company's two factories, at 902 Tungchow Road and at 591 Baikal Road, involving approximately 1,400 workers. The strike was declared at 7 a.m. on July 29, after the workers had made demands for a 100 per cent. increase in wages and a similar demand for rice allowance. Only the Tungchow Road factory struck that day, but the workers of the Baikal Road plant joined the movement the next day. The strikers resumed work yesterday morning, pending negotiations with the administration. The Toa Tobacco Co. is a Japanese concern.

Shanghai Spanish C. G. Minister to Nanking

Madrid, Aug. 4.

Senor Alvaro de Maldonado, Consul-General for Spain in Shanghai, has been appointed Minister Plenipotentiary at Nanking, it was officially announced here.

Furthermore, Gen. Espinosa de los Monteros, former Spanish Ambassador in Berlin has been appointed Governor-General of the Balearic Islands.—Havas.



"N.C.D.N." Photo.

At the S.F.B. Volunteers' Outing

The Volunteer Reserve of the Shanghai Fire Brigade held a most successful annual "Outing" at the Hongkew Wharf on August 3, at which Volunteer Officer A.F.T. Holland presented Station Officer H. H. Miller with a memento on the occasion of the latter's departure from Shanghai. The above photo shows the five officers responsible for the efficiency of the Volunteer Unit. They are Assistant Volunteer Officer S. C. Smith, Mr. Miller, Mr. Holland, Mr. R. G. Watkins, Third Officer of the Shanghai Fire Brigade and Officer in charge of the Volunteer Reserve, and Assistant Volunteer Officer G. A. Johnston.

Three Hurt Escaping From Burning House

Aug. 5.

Three male Chinese sustained slight injuries when they jumped from the first floor window of a Chinese laundry in a house next to the Ritz Theatre in Haining Road at 9.32 a.m. yesterday as flames broke out on the premises through careless handling of kerosene. The three were taken to the Shanghai Sanitarium Clinic in Range Road. One of them cut his fingers with glass, the other lacerated his mouth, while the third injured his left leg.

The fire broke out while the three Chinese were washing pieces of clothing in kerosene and an alarm was immediately put through to Hongkew Fire Station. It was extinguished after some damage had been done to the premises and property.

Another fire, earlier in the morning, broke out at the Mee Kao May Ballroom at 447 Yu Ya Ching Road. The call was received at the Fire Brigade Headquarters at 1.48 a.m. and machines from Sinza station were sent out.

The blaze, which originated on the roof of the loft, was extinguished within 26 minutes after the firemen's arrival at the scene and damage was slight.

Mayor Chen's Measures To Protect Public

Aug. 3.

Nothing lost in the street will be picked up by any one without reporting it to the authorities and there will be no need of closing front doors while occupants of houses are sleeping; these are the aims of Mayor Chen Kung-po of the Greater Shanghai Special Municipal Government who has just organized the Shanghai Special Municipal Peace Preservation Headquarters.

Mayor Chen revealed the aims of the new organization while making a speech at the inaugural ceremony which was held on Friday in the auditorium of his Civic Centre office at Kiangwan. He said that people in Shanghai, specially those living in the outskirts of the city, were suffering tremendously from lack of adequate protection. To safeguard them peace and order must be preserved.

The Mayor disclosed that he would first organize a peace preservation corps. In doing so he would open an officers' training class. Soldiers of the corps would also be trained in a special class and all military units in the Native City will be brought under the control of the commander of the corps, a post which he now holds concurrently.

Metropol Theatre

Aug. 1.

Last night's screening of "Horror Island" marked the closing of the Metropol Theatre for foreign pictures by the Asia Theatres Inc., but it will be replaced in the company's list of enterprises with the Majestic Theatre, situated on Gordon Road, near Bubbling Well Road, which, it is hoped, will be completed for the grand opening proposed for the Double Tenth. The new management of the Metropol will begin showing first-run Chinese films on September 1.

The Metropol originally was opened on December 6, 1933, by the Yung Yung Amusement Co., who leased it to foreign interests on July 1, 1934, for five years, subsequently extending the term for two years more. In September of last year the premises were sold to the Chung Hwa Co., which Mr. Yu Ya-ching controls.

The premises in future will be operated by Mr. S. K. Chang of the United China Production Co., which controls the output of three Chinese studios.

Under the new management, the foreign name Metropol will be maintained, but the Chinese name will be Sin Hwa (New China) Theatre.

Armed Robbers Arrested Through Timely Alarm

Aug. 5.

A timely alarm turned in by the Washington Watch and Optical Co. at 44 Bubbling Well Road, at 10.25 a.m. yesterday, by means of the Shanghai Telephone Company's burglar alarm system resulted in the arrest of an armed robber, the seizure of a pistol with ammunition and the recovery of the loot.

The crime was perpetrated by a "lone wolf," armed with the pistol, who entered the watch store and intimidated the assistants, forcing them to give him four gold watches, the value of which was said to be approximately $4,000.

One of the victims, however, managed to put the alarm through to Sinza Road police station and a party of police attended, arriving in time to see the robber making his getaway. Two shots were fired by the police at the fleeing man and he was subsequently arrested.

The police found the pistol with two rounds of ammunition on his person and recovered the four watches.

Third Attempt to Kill Mechanic Fails

July 30.

A third unsuccessful attempt was made by gunmen in the French Concession yesterday morning to kill Zah Zee-foh, 35, a mechanic in the employ of the French Tramways, who sustained slight shoulder wounds after being shot at twice from the back while leaving his home at 792 Rue Amiral Bayle.

He was conveyed in an ambulance to the St. Marie Hospital where it was found that he was suffering from wounds in his left shoulder. He was detained for treatment. The gunmen escaped immediately after the shooting, it was learned.

The first attempt on the life of the mechanic was made on May 28 when he was fired upon while riding a bicycle near the intersection of Route Pere Robert and Rue Lafayette. He was slightly wounded in the leg.

The second attempt was made on June 27, when three gunmen fired at him while he was on his way home in a rickshaw. Four shots were fired, but the intended victim emerged unscathed.

French Police Arrest Armed Robber

July 30.

The French police here arrested an armed robber red-handed and recovered the whole loot from him last night after the man and his accomplice, who escaped, had victimized a Chinese residence at House No. 18 Lane 238 Rue Gaston Kahn shortly after 7 p.m.

The armed robber and his unarmed confederate broke into the house of Mr. Chu Kung-yang, a building contractor, at a time when he was absent. There were only his wife and an amah in the house. They first relieved the mistress of her neck chain made of gold and then stole $80 and two diamond rings from a drawer.

Having a Bath

A neighbour, who was having a bath at the time of the robbery, heard the cries of the two victims, jumped out of his bath quickly donned a robe and dashed to inform policemen stationed near his house. A large party of officers arrived soon after the gangsters had left the house.

The officers took up the chase which lasted for only a short while. The armed man was caught without offering any resistance. The whole loot was wrenched from him. The other man made a clean gateway during the confusion.

XCDN Moonlight Follies

Aug. 2.

Epitomizing the unquenchable spirit that eventually will carry us on to the ultimate victory that must and shall be won, outlasting the malicious "blitzkrieg" on the part of the weather, the XCDN Moonlight Follies staged a welcome resumption last night at the Hayim garden. Tantalizing us with that one ephemeral glimpse of its splendour just ten nights ago, a sustained spell of rainy days caused a sickening series of postponements that held up the production but in no way diminished the public interest in it, as was evidenced yesterday when another huge crowd was once again in attendence as the Follies resumed its interrupted sequence with the "Czecholovakian Night."

The scene was, if possible, even more enchanting than on the opening occasion. Once more the illusion was complete as one left the sultry street behind and stepped across the threshold of a new world into a delightful phantasmagoria of glimmering lanterns and contrasting colours. Last night the setting was even more perfect, with the huge artificial moon on Haig Court augmented by the real article that hung in a star-spangled sky, lending a transient beauty to the picture that made it as unforgettable as the magic of the rainbow. Once again the Chinese lanterns covered the trees like pendants, once again the floodlights threw long shafts of radiance on to the rectangle of the dance floor and the music throbbed and there was laughter and gaiety in the shadows.

The Radio Rascals opened the floor show in their usual high spirits and put the large crowd in the most expansive mood with their clever antics, the Masked Singer was in fine voice, Jimmy Ladd sang Madame La Zonga with zest, and Margaret Sinclair pleasantly soothed with Melodies of Yester-Year. The XCDN Rockettes went through their quicksilver routine with agility and the Brazilian Typhoon brought gale of laughter in "her" wake. And finally Margaret Sinclair ended a delightful entertainment with a beautiful melody.

Once again there were appetizing "snacks" at midnight and the side shows—and the liquid refreshments—did a roaring trade. "Nothing succeeds like success" is an old slogan, but even at the risk of running it to death it can be applied with perfect justification in this case. The Follies went like wild fire last night and, however long the show may continue, however many postponements may punctuate its progress, its success is assured. There is no other show to compare with it in Shanghai today and it will be many moons before we get anything like it again, so go while the going is good for this is an entertainment which cannot be missed.—C.E.M.B.

Emigrant Organization Backs Soviet Union

Aug. 2.

In a manifesto, issued by the Young Russian ("Mladorossi") Party, Mr. U. A. Stepanoff, leader of the party, calls upon Russians to throw aside all political controversies and to help their native land as much as possible in its struggle against Germany.

The party, although antagonistic toward the Soviet Government, will forsake its previous policy toward the present government in Russia as long as it defends the native soil.

The manifesto states that the "Mladorossi" have expected a German attack against Russia for a long time and that, although unable to take active part in the defence of Russia, they will in words, faith and thoughts belong only to their native land.

The party has always been guided by interest in Russia and her family of peoples and in this difficult moment, when Russian blood flows from the Arctic Ocean to the Black Sea, when the Russian people are resisting every and each German thrust into their country, the members of the party, who are sons of Russia, repeat once again that the place of each Russian is on the side of his nation, that there can be no political controversies, and that Russians can and should give their lives only for their country.

Cholera Passes Needed

Aug. 2.

Cholera passes will be required by all those crossing the Soochow creek bridges into Hongkew during the period from August 5 to August 31, said Mr. Hori, Embassy spokesman at yesterday's press conference here.

The Japanese Anti-Epidemic Association has asked the help of the Japanese Naval Landing Party in carrying out the inspection for cholera passes owing to the fact that the numbers which the Association can call on are limited.

Passes will be considered valid if issued by the Health Department of the Shanghai Municipal Council, the Health Department of the French Municipal Council and by the Japanese Anti-Epidemic Association and the other organizations which it recognizes.

Cholera passes must be carried by all nationals, Chinese, Japanese and foreigners, failing which they will not be allowed to cross the creek.

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Local Nanking Celebrations

Aug. 2.

AN attempt by a terrorist to halt a lantern procession held in the Western district yesterday to celebrate Axis recognition of the Nanking Government ended fatally for him when a hand grenade, which he had concealed in his person, exploded. Two suspected confederates including a young Chinese girl sustained severe bodily injuries.

Long before the procession started a crowd of more than 20,000 persons thronged the vicinity and entrance of Jessfield Park. Shortly after 5 p.m. a terrorist entered the park with a grenade of the military type concealed underneath his clothing. While in the lavatory he, accidentally released the safety catch of the infernal machine, which immediately exploded.

The explosion resulted in his dismemberment and immediate death. Two suspected accomplices included Miss Fong Ning, a 22 year old girl, who were in the vicinity sustained serious injuries. Miss Ning was injured in the head while the other suspect, Chang Ching-yuan, a twenty year old native of Ningpo, sustained severe badly injuries. Both were removed to hospital.

Owing to the careful and well-planned measures taken by the Western Area Special Police to guard against terroristic acts the incident did not delay the holding of the procession for one minute. The precautionary measures taken for the protection of the public were worked out by Commissioner C. C. Pan of the Western Area Special Police assisted by Mr. J. B. Clissold, the Deputy Commissioner.

Order was restored out of the chaos within a remarkably short while following the explosion with the result that the arrangements for the procession were carried out without a hitch. Officers of the Special Police attached to its crime branch made an immediate investigation of the incident. The procession, which was one of the principal festivities connected with the celebrations yesterday of the recognition of the new Nanking Government by eight foreign powers terminated at about 10 p.m. at the corner of Bubbling Well and Great Western Roads.

Bombs Founds

Aug. 3.

A number of hand-grenades and several small bombs were unearthed by officers of the Western Area Special Police yesterday in the home on Jessfield Road of one of the two suspects who were injured in the bombing outrage at Jessfield Park on Friday before the holding of a lantern procession to celebrate Axis recognition of Nanking. The principal in the bombing incident, a youthful terrorist, met instant death when a hand-grenade he had concealed in his person, exploded through careless handling.

The investigations which followed swiftly on the heels of the outrage it was learned yesterday, led the police of the Western area to conclude that a man who was injured and who was suspected of being an associate of the deceased, was undoubtedly concerned in the affair.

The enquiries conducted under the personal supervision of Mr. C. C. Pan, Commissioner of the Western Area Special Police indicated that terrorists had planned ahead to cause serious disorder during the festivities, but their plans were frustrated through the accident.

A second suspect, who was injured was a Chinese girl, who sustained severe head injuries after being hit by fragments of the grenade.

Car Commandeered

July 30.

A motor car bearing the licence number 5673 and belonging to a bureau head of the Greater Shanghai Special Municipal Government was commandeered by two or three gunmen yesterday shortly after 10 p.m. in the vicinity of the Paramount Ballroom. The chauffeur was forced out and with one of their number at the wheel, the men drove the car away to an unknown destination.

Axis Recognition Of New Regime

Aug. 2.

The recognition of the new Nanking Government by eight foreign nations including Germany and Italy was celebrated yesterday by officials of the new government and others in extra-Settlement areas with the usual spectacular Chinese festivities ranging from lantern and motorcar processions to fireworks displays in Nantao and Pootung in the evening.

Districts in Chinese territory under Japanese occupation and Hongkew saw buildings gaily beflagged as were the buses and official and private cars.

The festivities began with a celebration meeting in the morning at the Chinese Chamber of Commerce in North Soochow Road. At 10 a.m. a motorcar procession was held.

The lantern procession which was a picturesque affair was held at 6 p.m. in the Western Area with the participants assembling in front of Jessfield Park. The Civic Centre in Kiangwan and Chinese government offices all flew the Nanking flag and the day was declared an official holiday.

Posters Displayed

Numerous Chinese posters were in evidence yesterday not only in outside areas, as many of them were stuck on hire cars and buses in the Settlement early in the morning.

A number of Chinese paifou were specially erected for the occasion in outside areas and in Hongkew which presented an animated scene. Countless thousands of the Chinese populace attended the lantern procession in the evening.

Observance of the occasion was not marred by any untoward incident of any importance in the Settlement or outside areas except for a bombing incident, due probably to the extra precaution exerted by the police of all areas in Shanghai. In Hongkew special vigilance was exerted by the Japanese military and naval authorities with the stopping of motor-cars, buses and other vehicles and the morning searching of Chinese for concealed weapons.

S.V.C. Orders

Aug. 5.

Weapon Training — Classification (Rifle):—The undermentioned have qualified on "30 yards Range:—Transport Company.—Capt. J. G. Forbes, Cpl. K. F. Mulder, Dvrs. C. H. Liang, T. H. Buckland, F. Pordes, R. Chand, E. G. Ross, G. W. Grout, A. Vansovich. American Company.—Ptes. R. Hyndman, H. Pettersson, O. Rabin.

Officers—Return from Leave:—Scandinavian Company.—Lieutenant E. Brundin returned from leave July 29, 2nd Lieutenant O. Asp returned from leave July 29.

Transfers—Active list to "A" Class Reserve:—Corporal J. S. Clark, American Troop is transferred from Active List to "A" Class Reserve with effect from July 31.

Strength:—Increase:—The undermentioned are taken on the strength of the Corps as under:—Corps Cavalry:—American Troop.—Trs. J. Ellas July 29, J. J. Isaac July 29. Decrease:—The undermentioned are taken off the strength of the Corps as under:—Corps Cavalry:—Light Horse.—Tpr. J. Middleton-Smith July 29. "A" Battalion:—"B" Company.—Ptes. W. Halford July 29, Pte. R. Bakhsh, July 29, Col. H. T. England July 29. "C" Battalion:—Armoured Car Company.—Pte. H. C. F. Aris July 31. Scandinavian Company.—Pte. O. A. Rasmussen July 29, Cpl. H. C. W. Pedersen July 30.

Leave:—Signals Company.—Lieutenant J. T. Rogers from Aug. 2 to Aug. 26.

"N.C.D.N." Photo.

Popular Chinese Wedding

The wedding was solemnized yesterday morning in a foreign religious ceremony of Miss Lily Wong and Mr. James Liang and a wedding reception was held during the afternoon in the Pacific Hotel. The bride is the daughter of Mr. and Mrs. C. H. Wong. The groom, assistant manager of the Roxy Theatre, is the son of the late Mr. C. K. Liang and Mrs. Liang. Picture shows the happy couple and their immediate families at the reception.

"N.C.D.N." Photo.

Wedding of Mr. P. Shaw and Miss A. Pevneva

The wedding took place on August 2, at H. M. Consulate-General of Mr. Percy Shaw, son of the late Mr. John Shaw and Mrs. Lydia Shaw, of Wallasey, and Miss Alexandra Pevneva, daughter of the late Mr. Serge Pevneva and Mrs. Anna Pevneva, of Sevastopol. Mrs. D. Ferguson attended the bride as matron-of-honour, and the witness was Mr. George Johnston. After the ceremony a reception was held at 11 Kinnear Road, the residence of Mrs. D. Ferguson.

Nantao Blockade Still in Force

Aug. 5.

Since July 31 when shooting occurred in Nantao, the iron gates separating the native city from the French Concession have been closed at the request of the Japanese authorities there. Although there have been short periods during which the gates remained opened, great inconveniences have been experienced by those who have their homes in the Chinese city while working in the foreign areas. The blockade has disappointed many husbands and isolated householders whose work has been rendered difficult by the increase of prices of commodities resulting.

Yesterday, the blockade regulations were still enforced and rumours were circulated that the Japanese might continue doing so until after August 13 when the Chinese here will commemorate the anniversary of the hostilities. On Sunday, at the request of the Chinese city régime here, the gates were opened for a short time. But hundreds of people who were not on the spot at the time were disappointed.

Census Being Taken

Judging from Chinese reports and information obtained from Nantao residents, the Japanese this time are not so much concerned over the arrest of any terrorists as in the past when such blockades were in force as they are over the compilation of a census. In order to facilitate the work, residents in Nantao are said to have been forbidden to pass through the refugee zone. Many streets look deserted and business men have suffered a great deal. Hope is expressed in some reports that after several days, residents in the native city may be allowed to go into foreign areas through an unspecified area. At present, the only way open to them is to go to Pootung first by boat and then come to foreign areas again by boat.

Japanese Gendarme Shot in Nantao

Aug. 1.

The entire Nantao district was thrown into an uproar after nightfall yesterday when another Japanese gendarme fell victim to assassin's bullets. The shooting affray occurred on the Boulevarde des deux Republiques on the boundary of the French Concession.

Japanese forces immediately introduced stringent restrictions, conducted house-to-house searches and closed all gates leading into Nantao, thus isolating that area from the rest of Shanghai.

Another Japanese Cholera Case Reported

Aug. 5.

Bringing to seven the number of Japanese stricken with cholera in Hongkew, another case was reported on Sunday when Toshichi Matsuo, 55-year-old crew member of the Taiyo Maru, fell victim to the disease.

He was at once sent to the Dojinkwai Hospital at the Eight Characters Bridge. The other eight members of the crew were forbidden to go ashore, while the vessel, moored at the Fish Market Wharf of the Central China Marine Products Co. was disinfected.

WEDDING

Nicolsky-Dronnikoff

Aug. 3.

The wedding of Miss Alla N. Nicolsky and Mr. Serge N. Dronnikoff took place at 4 p.m. on Friday at the Russian Cathedral, in Rue Paul Henry, Father Sergei Borodin and Deacon V. Konovaloff officiating. Mr. Dronnikoff is connected with the Shanghai Power Company while his bride is a student of medicine at St. John's University. He is the son of Mr. and Mrs. N. G. Dronnikoff.

The wedding was attended by a large number of relatives and friends of both the bride and bridegroom. The matron of honour was Mrs. C. Malinovsky and the Misses N. Kuznetsoff, M. Teltoff, N. Tokmakoff, M. Katil and A. Mikshelf were bridesmaids. M. V. W. Tokmakoff served as the best man while Mr. V. Dronnikoff, G. Miranoff, E. Poushtorsky, V. Fridriff, and A. Katil were ushers.

The bride was given away by her father, Mr. N. V. Nicolsky. She was dressed in a beautiful gown of Swiss embroidered organdie over a satin slip, with fine silk net veil caught with orange blossom headdress in the Russian "kokoshnik" style. She wore a beautiful bouquet of white gladiolas. The bridesmaids were dressed in light blue gowns and wore bouquets of pale pink carnations. The bride's mother wore a green lace dress and white hat.

Following the wedding a reception was held at the Park Hotel and the newly married couple will spend the honeymoon in Tsingtao.

LOCAL FOOD PRICES

Average prices obtaining on August 1. H.—Hongkew Market and Shops in Hongkew District. W.—Seymour Road. Market and shops in Western District F.C.—Markets and shops in the French Concession.

	H.	W.	F.C.
Beef			
Rib	3.60	3.60	3.70
Rump	4.00	4.40	3.70
Sirloin	4.00	4.40	—
Soup	2.00	2.00	2.20
Suet	1.50	2.20	1.00
Mutton			
Lamb	1.60	1.60	1.50
Gigot	1.60	1.70	1.50
Pork			
Lard	.1.30	1.60	1.23
Leg	2.30	2.60	—
Cutlet	2.60	2.60	2.25
Should.	2.10	2.60	2.17
Knuck.	1.30	1.00	0.80
Veal			
Cutlets	3.50	5.00	—
Buffalo			
Rump	3.40	3.00	2.00
Soup	1.80	1.80	1.80
Goat	—	—	1.50
Prepared Meat			
Bacon	2.40	3.20	2.90
Ham F.	3.80	4.00	4.70
Ham C.	2.47	3.20	3.20
S. pork	2.07	—	1.70
Fish			
Carp	—	1.20	1.40
" live	—	2.20	—
Cod	1.50	1.50	1.30
Eel live	2.70	1.40	1.00
M'darin	2.00	3.60	—
Prawns	0.45	0.50	—
Salmon	1.00	1.80	—
Soles	1.60	1.20	1.10
W'bait	1.50	1.40	0.90
Yellow	0.80	1.20	1.00
Salted Fish			
Herring	..	0.80	0.65
Ribbon	0.80	0.80	0.80
Salmon	1.60	1.60	1.25
Poultry and Eggs			
Chick.	3.00	2.60	2.60
Duck	7.50	7.00	6.00
Eggs	2.00	3.00	2.16
Fruit			
Apples	1.00	0.60	1.00
Bananas	1.00	1.00	1.20
Lemons	1.80	1.40	1.40
Oranges	21	12	16.80
Pears	0.50	0.60	0.80

	H.	W.	F.C.
Vegetables			
B'boo	1.00	0.80	—
Beans	0.40	0.40	0.60
B'troot	0.10	0.20	0.15
C'bage	0.25	0.20	0.20
" F.	0.25	0.25	0.30
" S.	0.15	0.20	0.20
Carrots	0.45	0.50	0.50
Onions	0.10	0.10	0.10
Potatoes	0.30	0.25	0.23
" S.	—	0.40	—
Spinach	0.20	0.25	0.20
To'toes	0.70	0.60	0.60
Turnips	0.20	0.30	0.40
Grocery			
Coffee	3.80	3.40	3.60
Flour A.	0.75	0.70	0.80
" C.	0.73	0.70	0.72
Macar.	1.20	1.30	1.20
Noodles	0.66	0.62	0.63
Salt T.	0.56	0.66	0.50
" C.	0.56	0.30	0.46
Sugar T.	0.85	1.10	1.10
" H.	0.75	0.85	0.85
Tea C.	6.00	6.00	5.00
Oil and Bean Curd			
P'ean	0.20	0.30	0.10
Salad	1.85	2.00	2.00
Soya	1.76	1.78	1.90
Milk, Butter and Bread			
Milk, A	1.13	1.10	1.35
" B	0.75	0.83	0.65
" A T.T.	1.20	1.13	—
Milk	2.10	4.40	4.00
Butttr	8.50	8.50	8.50
Margar.	2.10	2.35	2.50
Bread	0.75	0.75	0.75
Soaps			
Toilet	0.70	0.75	1.00
Wash.	1.00	1.12	1.20
Rice			
K'mee	0.87	0.86	0.30
Foreign	0.60	0.65	0.66
Coal and Fuel			
Anth.	437.50	460	465
Kitchen	440	—	460
Brique.	16	16	16
Char.	—	—	47
Wood	—	—	0.90
K'sene	1.45	1.33	1.36

FUNERALS

Miss F. M. Gaunt

July 31.

The funeral of the late Miss Florence Gaunt, youngest daughter of the late Mr. W. J. Gaunt, former and very popular Master at the Buckingham Institution, and sister of Mrs. J. H. Carey of Shanghai, took place at Buckingham Cemetery, England, recently. The remains, which were enclosed in an oak coffin with chronium fittings, were conveyed from King's Heath, Birmingham, where the deceased had lived with a friend since her return to England from China ten years ago. She held the post of Matron Supervisor at the Thomas Hanbury School for Girls in Shanghai for 25 years. Canon R. F. Bale conducted the service and the family mourners were Mrs. Gaunt (sister-in-law), Miss Amy Ambrose W.A.A.F. (Shanghai), Mrs. Fred Ambrose jnr., and friends. Beautiful wreaths were sent from the Carey family, Shanghai, Ambrose family, Shanghai, and others.

Mr. Igor Vasilievitch Ivanoff

July 31.

Funeral services for the late Mr. Igor Vasilievitch Ivanoff, the 22 year old son of Mr. and Mrs. V. Ivanoff and brother of George Ivanoff, were held yesterday afternoon in the presence of a large attendance of friends and relatives. The late Mr. Ivanoff was a member of the Shanghai Municipal Police Specials, First Division, and a platoon of Police Specials in uniform from the First Division attended in a body, under the command of Inspector H. Krenn. Immediately after the ceremonies, each member of the Specials filed past the grave and saluted their departed comrade. A Church service was held at the St. Nicholas Military Church on Rue Corneille, followed by a procession to the Hungjao Road Cemetery where interment took place. The officiating clergy were Fathers Alexander Paevsky, Alexy Filimonoff and Modeste Medvedeff, assisted by Deacon M. Borzevitch and the Russian Choir. Two beautiful sprays of flowers from "Mother, Father, Ura and Galia" and one from "Grandmother" was lowered into the grave with the casket, that was borne by Messrs: V. Repin, N. Sokoloff, G. Kettunen, A. Asey, A. Markevitch and K. A. Berzin. The chief mourner was the father, Mr. V. Ivanoff.

Mrs. Natalya Navrotzky

Aug. 3.

Funeral services for the late Mrs. Natalya Navrotsky were held yesterday afternoon when a Church service took place at the Russian Cathedral on Route Paul Henry, followed by burial at the Hungjao Road Cemetery. The late Mrs. Navrotzky, wife of Captain Gleb M. Navrotsky of Mollers' Ltd., died at The Country Hospital last Thursday following two weeks illness with typhoid fever. Besides her husband, who was the chief-mourner, deceased is survived by one son, Nikita, aged 14 years. A beautiful spray of flowers from "husband and son" was lowered into the grave with the casket.

Mrs. Que Qui Guy

Aug. 5.

In the presence of many relatives and friends, funeral services for the late Mrs. Que Qui Guy, aged 76 years, widow of the late William Tonkyn Guy, were held yesterday afternoon at the Bubbling Well Cemetery, with Pastor Hsu of the Church of Our Saviour officiating.

Deceased had resided in Shanghai for 74 years and had endeared herself to a wide circle of friends and was loved greatly for her undying faith in Christianity. A beautiful cross of white flowers from "Kalie and Earle" was lowered into the grave with the casket. The chief mourners were the daughter, Mrs. Chen Hou Chi, accompanied by her husband and a grandson, Mr. Samuel Chen.

The casket was carried to the grave, by Messrs. P. M. Y. Chung, G. Villas, W. Hutchinson, S. C. Lee, T. M. Yates and Chen Pao Hsing.

PERSONAL NOTES

Mrs. G. E. O. Mayne and Mrs. E. F. Hardman sailed from Shanghai on July 30 bound for Calcutta.

Mrs. J. R. Liley, matron of the Cathedral School with John and Tony are leaving for Australia.

Mrs. Henry H. Cohen arrived back in Shanghai by the Dutch Mail Line after six months absence from Shanghai.

Hoping to get a commission in the R.A.F., Det.-Sub-Inspr. A. G. Tilton, S.M.P., who had been seconded to the Western Area Police Force, has resigned and shortly will leave to take up his military duties. Mr. Tilton, who served with distinction for fourteen years, will be accompanied by his wife, for a portion of his trip.

The Shanghai Municipal Council health report for the week ending midnight August 2, shows that the number of deaths from all causes amongst the foreign and Chinese population in the Settlement was—Foreigners 11 and Chinese 861. Deaths from notifiable diseases were —Foreigners, cerebrospinal fever, tuberculosis and bacillary dysentery one each. Chinese, tuberculosis 68; typhoid fever 49; dysentery 25; beri-beri 8; relapsing fever 4; cholera 3; choleraic diarrhoea 3; cerebrospinal fever 2; paratyphoid fever 2 and influenza, typhus fever one each.

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Shanghai Stock Exchange Official Weekly Share Report with Opening Quotations, Aug. 1, 1941

REPORT No. 30/1941 for week ending August 1 (Friday), compiled by the Shanghai Stock Exchange

Comparative Opening Cash Prices — Quotations in Chinese Dollars unless otherwise stated * H'kong $ — This Friday Morning August 1, 1941				Last Friday Morning July 25, 1941				Business Recorded During Week Closing Friday		STOCKS	Authorised Capital (No. of Shares)	Issued Capital (No. of Shares)	Paid up Value (or Face Value)	Fin-Year ends	Last Dividends, etc.	Paid or due	Business Done Year 1940		Business Done Year 1941		Total No. of Shares Done for		Total Amount of Sales Reported	
Buyers	Sellers	Last Sales	Nom.	Buyers	Sellers	Last Sales	Nom.	Highest	Lowest								Highest	Lowest	Highest	Lowest	Last Week	This Week	1940	1-8-41
										Banks, Finance Companies														
19.80	....	19.90	....	....	21.00	20½	....	21½	19.50	Central Properties, Ltd.	5,000,000	180,000	$10	Dec.	Int. $3.00 a/c 1941	15-7-41	25½ May	12 May	23½ July	17.00 Feb	2,500	3,050	138,950	80,300
....	....	....	12	....	....	....	12	....	....	China Bond & Shares Co., Fed. Inc., U.S.A.	200,000	120,000	$10	Dec.	Fin. 6% (Mkg. 12% a/c 1940)	10-3-41	12 Mar	12 Mar	....	....	....	....	500	7
....	....	1.35	....	1.32	1.40	1.40	....	....	....	China Finance Corp. Fed. Inc., U.S.A.	400,000	400,000	T5	Dec.	Div. $0.07½ a/c 1940	15-3-41	3.60 Jan	65 May	1.60 Jan	0.90 Feb	9,000	....	1,511,010	2,100
....	....	1,420.00	....	....	....	1,420.00	....	1,355.00	1,355.00	Hongkong & Shanghai Banking Corp.	400,000	160,000	H $125	Dec.	Int. £2-10-0 Less I/T a/c 1941	Pending	1,520 Apr	975 June	1,425 July	1,312½ May	....	5	560	186
29.00	29½	29.00	....	31.00	31½	31.00	....	31½	27.00	Inter. Invest. Trust Co. of China, Ltd.	2,000,000	525,000	T10	Mar.	Int. $1.25 a/c 1941-42	14-7-41	39½ May	8.60 May	32 Jan.	18.00 Feb	23,100	45,650	5,683,798	2,785,033
21½	....	22½	....	....	24½	24.00	....	24½	19.80	Shanghai Loan & Investment Co., Ltd.	700,000	350,000	T5	Dec.	Fin. $2.00 (Mkg. $4.00 a/c 1940)	7-2-41	41½ May	10.40 May	49½ Jan	15.40 Feb	99,200	66,580	3,037,562	2,152,350
....	....	....	....	....	....	....	....	....	....	Shanghai Securities, Ltd.	4,000,000	925,000	$5	Dec.	Int. $1.25 a/c 1941	26-5-41	8.50 May	3.00 May	8.00 Jan	4.75 Feb	....	....	4,426,063	3,359,300
....	....	21.00	....	....	....	21.00	....	....	....	Union Mobiliere	100,000	100,000	$20	Dec.	6% a/c 1940	5-5-41	....	....	21.00 May	21.00 May	....	....	....	2,010
18.00	18.30	18.20	....	18.90	19.10	18.90	....	19.10	16.00	Yangtsze Finance Co., Ltd.	2,000,000	517,500	T10	Mar.	Int. $0.75 a/c 1941-42	14-7-41	24½ Apr	7.05 June	22 Jan	13.20 Feb	74,700	87,050	4,001,308	2,857,945
										Insurances														
....	....	....	29.00	29.00	....	....	....	....	....	American-Asiatic Underwriters (ord.)	75,000	75,000	T10	Dec.	Div. $1.40, a/c 1939	3-6-40	26 Sept	5 Jan	....	....	....	....	7,431	....
....	....	....	200.00	....	....	....	200.00	....	....	Asia Life Insurance Co.	100,000	40,000	*U.S. $5	Dec.	Div. 10% = G $0.50, a/c 1940	12-5-41	....	....	....	....	....	....	....	....
....	....	....	90.00	....	....	....	90.00	....	....	Assurance Franco-Asiatique	70,000	70,000	F100	Dec.	Div. 5% 1938	10-5-39	....	....	....	....	....	....	....	....
....	....	26.00	....	26.00	28.00	26.00	....	28½	25½	International Assurance Co., Ltd.	933,333	280,000	10/-	Dec.	Div. $0.50, 1933 (Nil 1939)	18-5-34	19.70 May	8.90 Jan	31½ Jan	19 Feb	....	3,070	1,024,376	27,662
....	....	395.00	....	....	....	395.00	....	....	....	Union Insurance Society of Canton, Ltd.	800,000	135,000	£6	Dec.	Fin. 12/6 (Mkg. 25/- a/c 1940)	20-6-41	520 Apr	345 July	440 Apr	305 July	....	....	1,279	795
										Lands														
....	....	....	175	175	....	....	....	....	....	Anglo-French Land Invest. Co., Ltd.	25,000	19,335	T100	Feb.	Fin. $8.00 (Mkg. $10.00 a/c 1940-41)	4-4-41	200 Jan	200 Jan	1.75 Mar	175 Mar	....	....	100	23
....	5.10	5.10	....	5.10	....	5.10	....	5.00	5.00	Cathay Land Co., Ltd.	500,000	480,374	T10	Dec.	Final 2% = $0.28 (Mkg. 6% 1933) (Nil 1939)	5-5-34	5.10 Feb	1.70 No	5.20 July	2 Jan	7,500	1,000	38,150	39,700
12.00	12.20	12.00	....	13.60	....	13.60	....	13.60	11.00	China Realty Co. Fed. Inc., U.S.A.	1,250,000	890,000	$10	Dec.	Int. $0.50 a/c 1941	10-5-41	10.90 Jan	6.30 Oct	14.00 July	8.00 Feb	66,087	71,275	3,471,916	1,342,412
....	....	....	370	370	....	....	....	....	....	Fonciere et Immobiliere de Chine	20,000	20,000	T100	Dec.	Int. $15.00 a/c 1941	29-5-41	275 Feb	275 Feb	....	....	....	....	605	....
....	....	....	....	15.00	15½	15.40	....	....	....	Metropolitan Land Co., Ltd. "A"	500,000	39,800	T10	Sept	Int. $0.40 a/c 1940-41	Pending	15.70 Feb	9 Jan	15.50 July	12 Mar	8,500	....	119,666	19,500
....	....	....	....	15.00	15½	15.40	....	....	....	do. "B"		155,018	T10	Sept	Int. $0.40 a/c 1940-41	Pending	....	....	....	....	....	....	....	....
....	....	....	9.00	9.00	....	....	....	....	....	San Sing Properties, Ltd.	2,000,000	805,007	$7	Mar.	Int. $1.50 a/c 1941-42	14-7-41	10.00 Nov	7.50 Oct	6.00 Jan	6.00 Feb	....	....	45,500	5,000
17½	17.60	17½	....	19½	19.60	19½	....	19.40	15.80	Shanghai Land Investment Co., Ltd.	2,386,800	2,386,800	(87) T5	Dec.	Div. 6% a/c 1940	22-4-41	20½ Feb	8.80 May	20½ July	10.50 Feb	388,745	317,000	4,007,822	3,237,249
....	F.R.B.	320	....	....	F.R.B.	320	....	....	....	Tientsin Land Investment Co., Ltd.	120,000	64,281	$50	Dec.	Int. F.R.B. $2.00 a/c 1941	16-6-41	....	....	....	....	....	....	....	....
										Docks, Wharves and Transport														
13.90	14.00	13.90	....	14.70	14.80	14.80	....	15.10	11.80	Asia Navigation Co., Ltd.	10,000,000	3,000,000	$10	Dec.	....	....	....	....	16.00 June	10.80 Apr	218,700	395,200	....	4,343,355
26½	27.00	26½	....	29½	30.00	29½	....	30.00	23.00	Shanghai Dockyards, Ltd.	2,000,000	1,125,000	$10	Sept	Int. $1.00 a/c 1940-41	30-6-41	75 May	19.10 June	38½ Jan	23 July	102,651	138,000	7,454,687	3,252,153
....	....	425.00	....	440.00	....	450.00	....	425.00	400.00	Shanghai & Hongkew Wharf Co., Ltd.	80,000	60,000	T100	Dec.	Fin. $33.00 (Mkg. $50.00 a/c 1940)	19-3-41	560 May	267 Jan	475 Feb	400 July	....	165	8,947	2,094
95½	96.00	95½	....	116½	117.00	116.00	....	107.00	86.00	Wheelock & Co., Ltd.	1,000,000	478,720	T10	Mar.	Fin. $10.00 (Mkg. $20.00 a/c 1940-41)	Pending	272 Apr	38 July	119 July	78.00 Feb	83,440	109,505	2,960,262	2,950,723
										Utilities														
....	....	17.30	....	....	....	17.60	....	17.60	15.80	China General Omnibus Co., Ltd.	500,000	200,000	T10	Dec.	Fin. Div. $0.70 (Mkg. $1.26 a/c 1938) (Nil 1939)	20-4-39	37 May	15 June.	22½ Jan	13.30 Feb	4,500	8,700	814,224	264,642
....	....	16.00	....	17.00	....	16.90	....	16.40	15.00	Shanghai Gas Co., Ltd.	700,000	700,000	$10	Dec.	Div. $0.80 a/c 1940	4-4-41	37 May	12.30 Jan	21½ Jan	12.80 May	12,569	5,425	631,429	249,637
30.00	....	31½	....	33.00	....	34.00	....	32½	29½	Shanghai Telephone Company Fed. Inc. U.S.A.	2,000,000	1,151,420	$10	Dec.	Div. $0.75 a/c 1940	15-1-41	55 May	23 Jan	43½ Jan	29½ July	5,000	5,220	1,644,952	200,186
....	....	40.00	....	....	....	40.00	....	....	....	S'hai Electric Construction Co., Ltd. "Reg."	706,000	670,000	£1	Dec.	Div. 2% a/c 1940 Coupon 58	29-4-41	(54 Apr	41½ Oct	45 Jan	38.00 June	20	....	13,829	2,808
....	....	41½	....	....	....	44½	....	43.00	40.00	do. "Bear"							(69½ May	40 June	51 Jan	40 July	1,050	4,130	328,640	79,880
....	....	960.00	....	1,000	1,010	1,000	....	960.00	960.00	S'hai Waterworks Co., Ltd. "A"	40,236	40,236	£20	Dec.	Fin. 26/- (Mkg. 31/2 a/c 1940)	27-3-41	1,250 May	797 Aug	1,010 July	750 Mar	20	10	1,160	1,076
....	....	40.00	....	....	....	40.00	....	....	....	do. "B"	359,280	108,505	£1	Dec.	Fin. 10.8d. (Mkg. 1/1.9 a/c 1940)	27-3-41	46 Feb	32½ Jan	40 May	30 Mar	....	....	1,980	3,217
....	....	39½	....	....	....	39½	....	....	....	do. "C"		250,000	£1	Dec.	Fin. 1/1.2 (Mkg. 1/3.6 a/c 1940)	27-3-41	50 Mar	32½ Jan	42 May	30 Mar	....	....	8,815	2,804
										Miscellaneous														
....	....	....	4.00	....	....	....	4.00	....	....	Chosen Corporation, Ltd.	750,000	725,000	£1	June	Div. 1/-(Mkg. 1/9d. 1937) Less Tax (Nil 1939)	15-1-35	....	....	....	....	....	....	....	....
....	....	37.00	....	37.00	....	37.00	....	....	....	Culty Dairy Co. Ltd.	40,000	40,000	T10	Dec.	Div. $2.50 a/c 1940	8-4-41	44 May	35 Aug	37. Feb	35.00 May	....	....	5,432	300
....	....	50.00	....	50.00	....	50.00	....	....	....	Champ de Course: French	30,000	30,000	$20	Dec.	Div. $4.50 a/c 1934 (Nil 1939)	1-3-35	15 Sept	15 Sept	50.00 July	50.00 July	....	....	....	500
....	....	50.00	....	50.00	....	50.00	....	....	....	non-French		....	....	Dec.	Div. $4.50 a/c 1934 (Nil 1939)	1-3-35	....	....	....	....	....	....	30	....
7.50	7.60	7.60	....	8.35	....	8.30	....	8.30	6.50	Ewo Breweries, Ltd.	4,000,000	1,400,000	$5	Dec.	Div. $0.25 a/c 1940	22-4-41	8.25 Dec	6.50 Nov	9.50 Jan	6.15 May	62,600	80,625	1,774,305	3,490,203
34½	....	....	34½	34½	....	....	....	....	....	Hall & Holtz, Ltd.	28,000	26,342	$20	Feb.	Div. 15% = $3, a/c 1940-41	29-5-41	34 Aug	25 Feb	....	....	....	....	1,532	....
....	....	....	3.00	....	....	....	3.00	....	....	Hongkong & Shanghai Hotels, Ltd.	1,500,000	1,193,867	H $7.50	Dec.	Div. Hk. $0.25 a/c 1940	16-4-41	....	....	....	....	....	....	....	....
....	....	....	11	....	....	....	11	....	....	Kelly & Walsh Ltd.	75,000	45,000	$10	Feb.	In. $0.50 a/c 1940-41	19-2-41	....	....	....	....	....	....	....	....
32½	33.00	32½	....	35½	36.00	35½	....	36½	26.00	Metal Industries of China, Ltd.	2,000,000	500,000	$5	Dec.	Fin. $5.00 (Mkg. $7.00 a/c 1940)	24-4-41	55 May	17.10 June	37 July	24½ Apr	117,700	....	3,000,210	....
....	....	9.00	....	....	9.00	9.00	....	....	....	Millington, Ltd.	300,000	110,000	$4	Dec.	Fin. 5% = $0.60 (Mkg. $0.80 a/c 1940)	6-5-41	8.00 Mar	6.00 Sept	9.00 July	6.00 Mar	....	211,200	2,095	3,572,523
....	....	....	30.00	....	....	....	30.00	....	....	Moutrie & Co., Ltd.	10,000	9,970	$50	Mar.	....	....	....	....	....	....	....	....	....	1,250
....	....	....	3.00	....	....	....	3.00	....	....	Office Appliance Co., Ltd.	80,000	60,000	T8.50	Dec.	Div. $1.00 a/c 1939	26-6-40	....	....	....	....	....	138,950	....	2,771,800
5.15	....	5.20	....	5.65	5.70	5.60	....	5.70	4.75	Paper Industries Ltd.	5,000,000	1,320,000	$5	Dec.	Int. $0.25 a/c 1941	9-6-41	....	....	5.95 July	4.20 Apr	114,800	595,350	....	7,043,581
31.00	31½	31½	....	33.00	33½	33½	....	33½	26.00	S'hai Exploration & Development Co., Ltd.	1,200,000	860,039	T2.50	Dec.	Int. $2.00, Bonus $2.00 a/c 1941	Pending	34 May	8.60 Jan	34.00 July	18.60 Apr	389,685	....	9,922,252	6,165
....	....	2.25	....	....	....	2.25	....	....	....	S'hai Waterworks Fittings Co., Ltd.	500,000	301,765	T1	Dec.	Div. 16% a/c 1940	1-5-41	435 Apr	1.30 Jan	2.50 Apr	2.20 June	....	....	20,478	41,475
....	....	19.00	....	....	....	19.00	....	....	....	Union Brewery, Ltd.	500,000	200,000	T10	Dec.	Div. $1.25, a/c 1933 (Nil 1939)	27-5-34	10.80 Apr	4.25 Mar	19.00 July	9.00 Jan	500	....	32,325	....
										Bonds and Preferences														
....	....	100.00	....	....	....	100.00	....	....	....	American-Asiatic Underwriters, Cum. Pref. 8%	5,000	5,000	T100	Dec.	4% for ½ year ended 30 June 1940	29-6-40	120 Sept	85 Apr	100.00 May	100.00 May	10	....	262	117
....	....	....	120	....	....	....	120	....	....	do. Cum. Pref. 7%	7,500	7,500	T100	Dec.	3½ = $4.89 for ½ year ended 31-3-41	31-3-41	115 Aug	75 Feb	....	....	....	....	320	....
....	....	17.00	....	....	....	17.00	....	....	....	Caldbeck, Macgregor & Co., Ltd. 8% cum. pref	100,000	80,000	T10	Dec.	Div. 8% = $1.12 for 1940	30-4-41	15 July	15 July	17.00 June	13½ May	....	....	950	1,475
....	....	....	3.00	....	....	....	3.00	....	....	Ch. Finance Corp. Fed. Inc. U.S.A. (Pref.) 8%	600,000	205,135	T5	Dec.	Quarterly Div. Tls. 0.10 = $0.14, 1938	30-12-33	2.00 Dec	2.00 Dec	....	....	....	....	150	....
....	....	180.00	....	....	....	180.00	....	....	....	Ewo Cotton Mills, Ltd. 8% cum. pref	10,000	9,000	T100	Dec.	Div. Tls. 8 = $11.19, 1939	2-5-40	160 May	160 May	180.00 Feb	180.00 Feb	....	....	221	86
137.00	....	137½	....	....	....	138½	....	138.00	135½	S'hai Power Co. Tls. 6 cum. Pref. stock	230,000	220,000	T100	Dec.	2nd or Div. Tls. 1.50 (Mkg. Tls. 3.00 a/c 1941)	3-7-41	138½ Sept	120 May	138½ July	128 Feb	175	345	38,530	17,570
....	....	....	73.00	....	....	....	73.00	....	....	Shanghai Tug & Lighter Co., Ltd., 7% pref	10,000	10,000	T50	Dec.	Fin. 3½% (Mkg. 7% a/c 1940)	28-3-41	....	....	61½ Mar	59.00 Apr	....	....	....	39
....	....	13.70	....	....	....	13.70	....	....	....	S'hai Waterworks Co., Ltd. 7% cum. pref.	100,000	100,000	T10	Dec.	3½ = $0.49 for half year ended 30-6-40	27-9-40	15 May	13½ Apr	13.70 Mar	13.70 Mar	....	....	2,400	450
....	....	13½	....	....	....	13½	....	....	....	do. 6½% cum. pref.	100,000	100,000	T10	Dec.	3½ = $0.45 for half year ended 30-6-40	27-9-40	14.20 Sept	13.50 Oct	14.00 July	13½ Feb	50	....	7,340	2,495
										Cottons														
36½	36½	36½	....	41.00	41½	41.00	....	41.00	31½	Ewo Cotton Mills, Ltd., Ordinary	2,000,000	1,687,500	T5	Dec.	Fin. $4.50 (Mkg. $6.00 a/c 1940)	7-5-41	82 May	27 July	53 Jan	31½ July	118,783	250,190	6,433,028	4,314,208
7.90	....	8.00	....	8.65	....	8.80	....	8.65	7.00	New China Textile Co., Ltd.	2,000,000	1,440,600	$5	Dec.	Fin. $0.75 a/c 1940	28-3-41	9.80 Oct	6.10 Oct	10.30 Jan	5.40 May	38,500	62,800	2,565,275	1,959,426
....	....	315.00	....	....	315.00	315.00	....	315.00	315.00	Shanghai Cotton Mfg. Co., Ltd.	240,000	240,000	$50	Apr.	Fin. $7.50 (Mkg. $15.00 a/c 1940-41)	30-5-41	244 May	154 Oct	315.00 July	185 Feb	150	150	7,859	7,791
5.70	....	5.75	....	6.10	....	6.15	....	6.15	5.20	Shanghai Worsted Mill, Ltd.	1,000,000	1,000,000	$5	Mar.	Fin. $0.25 a/c 1940-41	7-7-41	7.35 Dec	6.60 Dec	7.35 Jan	4.75 Apr	61,000	87,195	684,455	391,620
....	....	90.00	....	....	....	90.00	....	....	....	Tung Yih Spinning & Weaving Co., Ltd.	400,000	255,000	$10	Dec.	Div. $7.50 & Bonus $7.50 a/c 1940	12-3-41	83½ Dec	80 Aug	105 Feb	90.00 Jan	....	....	170	556
....	....	....	73.00	73.00	....	70.00	....	....	....	Zoong Sing Cotton Mills, Ltd.	200,000	150,000	$10	June	Int. $15.00 a/c 1940	25-11-40	75 Aug	47 Jan	70.00 Jan	70.00 Jan	....	....	5,150	200
										Plantations														
....	....	50.00	....	....	....	50.00	....	....	....	Alma Estates, Ltd.	70,000	70,000	(Tls. 9)£1	Sept.	Fin. $5.00 (Mkg. $8.00 a/c 1939-40)	27-12-40	61 May	35 June	52 Mar	47½ Mar	....	....	24,694	2,580
....	17.00	16.70	....	17.50	....	17.50	....	17.20	15.90	Anglo-Dutch (Java) Plantations, Ltd.	400,000	350,000	10s	Dec.	Fin. $1.50 (Mkg. $3.00 a/c 1940)	28-5-41	34 Feb	8.80 July	25.00 Jan	14.30 June	14,000	7,400	661,660	337,129
30½	30½	30½	....	31½	....	32.00	....	31½	27.00	Anglo-Java Estates, Ltd.	500,000	496,000	10s	Dec.	Fin. $2.00 (Mkg. $5.00 a/c 1940)	18-7-41	61 May	18.20 June	49½ Jan	27 July	52,300	39,325	1,579,801	1,186,319
....	....	6.10	....	....	....	6.50	....	....	....	Ayer Tawah Rub. Plantation Co., Ltd.	500,000	335,499	T1	Sept.	Int. $0.40 a/c 1940-41	Pending	11.70 Feb	4.25 Aug	7.20 Jan	5.05 Apr	....	....	50,464	4,933
....	....	1.52	....	1.52	1.56	1.56	....	1.52	1.34	Batu Anam (Johore) Rub. Ests., Ltd.	960,000	960,000	T0.10	Dec.	Fin. $0.20 (Mkg. $0.30 a/c 1940)	7-5-41	2.95 Feb	81 May	1.70 Jan	1.20 Feb	20,000	11,000	1,240,646	241,961
....	....	7.20	....	....	....	7.20	....	....	....	Gula Plantations (1913), Ltd.	500,000	353,693	T1	Dec.	Fin. $0.80 (Mkg. $1.40 a/c 1940)	2-5-41	26 Feb	6.00 May	8.20 Jan	5.50 Feb	50	....	180,980	51,320
....	....	2.20	....	....	....	2.50	....	2.20	2.00	Chemor United Rubber Co., Ltd.	1,200,000	956,804	T0.10	Dec.	Fin. $0.30 (Mkg. $0.40 a/c 1940)	25-3-41	5.20 Feb	1.55 May	3.05 Jan	1.90 June	8,000	3,000	1,379,647	246,201
....	....	0.85	....	....	....	0.88	....	0.87	0.85	Cheng Rubber Estates, Ltd.	1,095,850	1,051,438	T0.10	June	Div. $0.05 a/c 1939-40	1-10-40	1.74 Jan	0.50 May	0.95 Jan	0.70 Feb	53,000	36,000	4,860,615	690,900
....	....	7.00	....	....	....	7.85	....	7.20	7.00	Consolidated Rub. Estates (1914), Ltd.	500,000	484,837	2/-	Dec.	Fin. $0.53 (Mkg. $1.23 a/c 1940)	2-5-41	14.50 Feb	4.95 May	8.20 Jan	5.90 Feb	1,000	3,500	506,585	73,835
....	....	10.00	....	....	....	10.00	....	....	....	Dominion Rubber Co., Ltd.	350,000	200,000	T1	Dec.	Fin. $0.80 (Mkg. $1.80 a/c 1940)	30-4-41	19.00 Feb	8.95 July	12 Jan	8.75 May	1,000	....	163,681	19,200
....	....	....	....	....	....	....	68.00	....	....	Gula-Kalumpong Rub. Ests., Ltd.	750,000	665,000	£1	Dec.	Div. 5% 1938 Less I/T (Coupon 35)	6-4-39	....	....	....	....	....	....	....	....
																14-5-41	7.70 Feb	2.15 June	4.70 Jan	3.20 July	17,000	1,000	935,271	172,350

COMMERCE AND FINANCE

Money and Exchange

HONGKONG & SHANGHAI BANK

TUESDAY, AUGUST 5, 1941

BANK'S SELLING RATES 10 A.M.

£1 @ 3 3/16d.	$ 77.57
U.S. $100 @ 5 7/16	$1,027.71
Guilders 9 3/8	$100
Rupees 17 1/8	100
Pesos 10 3/8	100
Hongkong $20 1/2	100
Closing rates 3 1/16	5 1/8

BANK'S BUYING RATES 10 A.M.

£1 @ 3 3/16d.	$ 76.03
U.S. $100 @ 5 7/16	$1,882.35
London—demand, $1=	3 3/16d.
4 months' sight credits	3 3/16d.
4 months' sight docts	3 1/4d.
6 months' sight credits	3 1/4d.
6 months' sight docts	3 5/16d.
New York—demand, $100=	U.S. $5 5/16
4 months' sight credits	U.S. $5 3/8
4 months' sight docts	U.S. $5 7/16
Closing rates	3 3/16 5 7/16

NEW YORK/LONDON CASH RATES

£1=U.S. $4.03½ U.S. $1=59.48d.

INTERBANK CLOSING SELLING RATES

Sterling ..... 3 3/16d. U.S. $5.3/2

Hongkong/London 1/3

NETHERLANDS TRADING SOCIETY

Java Guilders .....Selling 9¾

AMERICAN EXPRESS CO., INC.

Buying	U.S.$100=$1,882.352	£1=$75.294
Selling	U.S.$100=$1,027.710	£1=$77.575

HUA HSING COMMERCIAL BANK

Sterling Basis Rate @ 6d. per H.H.$ 1
U.S.$ Selling " @ 9¾ " H.H.$100
Local $ (Fapi) buying @ 192 per H.H.$100

CUSTOMS OFFICIAL RATES FOR DUTY PAYMENTS

Gold Unit 1.00—Hua Hsing	$2.794
CRB$ or	@ 196
Gold Unit 1.00—Local Dollar	$5.449

Local Exchange Report

Messrs. Drakeford, Davis & Wilson

INTER BANK CASH DELIVERY

£ Highest 3 3/16 Lowest 3 3/16
U.S. $ 5 3/32 5 3/16

MERCHANT CLOSING RATES

SELLING			BUYING
Aug.			Aug.
£ T.T.	3 1/16	4 m/s. l.c.	3 1/16
U.S.$ T.T.	5 1/8	4 m/s. l.c.	5 1/4
Rs. T.T.	17 1/8	15 d/s.	17 5/8

BAR SILVER

	Ready	For'd
N.Y. cents per oz. troy	34¾	—
Bombay Rs. per 100 tolas	62.13.0	—
Bombay ofttake 50 bars.		

U.S.$/£ CROSS RATE CASH QUOTATIONS

New York closing rate for Aug.	4 4.03½
Local Sellers of U.S.$ against £ at the close	4.01 *
Local Buyers of U.S.$ against £ at the close	4.03 *

*—Nominal.

The local market opened with sellers at 3 3/16d. sterling and 5 3/32 U.S.$. Business was again small and quotations showed a slight downward tendency throughout the day. At the close the market was quiet with best sellers at:—

3 3/16d. sterling 5 3/32 U.S.$ Cash/Aug.

Manila Gold Shares

(Sales in Pesos)

Aug. 5.	Sales	Prices p.m. 10 a.m.	Closing
Atoks	.385	B .385	B
Antamok	.040	B .041	B
Baguio Gold	.15	B .15	B
Batong Buhay	.004	B .004	B
Big Wedge	.46	B .47	B
Coco Grove	.105	.1025	B
Consolidated Mines	.0039	.0038	B
Demonstration	.03	B .035	
East Mindanao	.085	B .09	B
I. X. L.	.185	B .185	
Ipo Gold	.01	.01	
Itogon	.185	B .185	
Mambulao Consolidated	.01	A .01	A
Masbate Consolidated	.085	B .0875	B
Mine Operations	.035	A .035	A
North Camarines	.015	B .015	B
Paracale Gumaus	.25	B .27	A
San Mauricio	.18	.175	B
Surigao Consolidated	.19	B .19	B
Suyoc	.10	B .105	B
Syndicate Investment	.022	A .022	A
United Paracale	.175	B .175	
Mindanao Motherlode	.36	B .36	
Manila Hat-Alai	9.00	B 9.00	B
Benguet Consolidated (over the counter)	3.90	A —	

Turnover 35,400 pesos.
Shares Index 47.34.

B—Bid. A—Asked.—Reuter.

Local Commodities

Yesterday's Prices

Cotton yn, 20's, D.H, p.b, Cash		$1.575
Tungchow cotton .. per picul		285
Shanghai cotton .... per picul		250
		picul
Raw silk, Steamfil, 20/22 78%		$7.000
		Nom.
Flour, local .. per bag (49lb)		$29.00
Flour, imported "		31.30

Copper Contracts

New York, July 29.

The New York Commodity Exchange today ordered that settlement and liquidation of all outstanding copper futures contracts will be made at the following prices:—

	cents
July, August and September	11.80
October	11.65
December and January	11.55

—Reuter.

New York Stocks

Monday's Closing Quotations

	Aug. 2	4		Aug 2	4
Adams Exp	7½	7½	Int T & T	2¾	2¾
Alg Lud	*24½	24½	Johns Man	65¾	*65
Allis Chal	30	29¾	Kennecott	38¾	38¾
Amer Can	88¼	88¾	Libbey	28½	28½
Amer Cyan	39¼	40½	Lockheed	29¾	29½
Am For Pr	*0½	0½	Loew's	33¾	33¾
„ $7 pfd	23½	22½	Martin	29½	29¾
Am Loco	14½	14½	Mont Ward	34¾	34¾
Am Metal	10½	10¾	Nat Avian	9¾	9¼
Am Radtr	6½	5½	Nat C B	*27¾	27¾
Am R Mill	15½	15½	Nat Dairy	14¾	14¾
Am Smelt	44½	43½	Nat Dist	22½	22½
Am Sug	10½	10½	Nat P & L	5½	5½
Am T & T	154½	154½	Nat Sup	7¾	7½
Am Tob	71	71½	N Y Cent	13½	13½
Am Works	4½	*4½	Niag Hud	2¾	2¾
Anaconda	28½	29	N A Avian	16½	17
Atchison	29½	29½	N Am Co	13½	13½
Avian Corp	3¾	3¾	N Pacific	8½	8
Bald Loco	15½	15½	Packard	3¾	3½
Balt & O	5½	5½	Pan Oil	4¾	4½
Barns Oil	9½	9½	Paramount	13½	13½
Bendix	38½	38½	Penn R R	24½	24½
Beth St	75	74½	Phil Pet	45½	45½
Boeing	18½	18½	Pullman	28½	28½
Bliss	16½	16½	Radio	4½	4½
Borg War	19½	19½	Repub Oil	9½	9½
Briggs	19½	19½	Reading	18½	18
Budd Mfg	*4½	4½	Remington	*4½	*4½
Can Pac	5	5½	Rep Avian	3¾	3½
Celanese	28½	28½	Rep Steel	20	19½
Chase N B	*31½	*31½	Rey Tob	32½	32½
Ches & O	38	38½	Schenley	14	14½
Chrysler	56½	56½	Shell U Oil	15½	15½
Col G & E	3	3	Soc Vac	9½	10
Col Credit	24½	24½	Sthrn Pac	14½	14½
Com & Sth	0 7/16	0½	Sthrn Rly	31½	31
Cons Edis	19	19	Spicer	*37½	*37
Cons Oil	6½	6½	Std Brands	5½	5½
Copld St	16½	16½	St G & E	*17½	17½
Curtis Wr	9½	9½	Std Oil	43½	44½
Dist Corp	16	15½	Studebaker	6½	6½
Douglas	74	74½	Swift Int	22½	22½
Du Pont	158½	158½	Technicor	9½	9½
E P Lead	9½	*9½	Tex Cpn	43½	43½
Elec A Lite	29	28½	Transamer	4½	4½
Elec B & S	22	22	Tw Cent	7½	7½
„ $5 pfd	*49½	*49½	Un B & P	11½	11½
„ $6 pfd	*54½	56	Un Pacific	82½	82
Elec P & L	*34½	*34	Un Air	41½	41½
Flintkote	*14½	14½	Un A Lines	11½	11½
Gen Elec	32	31½	Un Corp	9½	9½
Gen Motor	38½	39½	„ $3 pfd	23½	24
Gen Rly	*14½	*14½	Un Gas	7½	7½
Gen T & R	13½	13½	U S Rub	24½	24½
Goodrich	19	19½	U S Steel	58½	58½
Goodyear	*19½	19½	Vanadium	*26½	26½
Gt N I Ore	17½	17½	Vultee	7½	7½
Gt N Rly	27½	27½	Walworth	5½	5½
Gt W Sug	*27½	27½	War Br Pets	5	5½
Int Nickel	26½	27½	West Ele	*92½	93½
Int P & L	17½	17½	Woodward	27½	27½

BONDS

Am For Pr	61½	61½	Erie	34½	34½
Aust Com	*67	69	Int T & T	44½	44½
Brazil	*20½	20½	New Eng	62½	62½
„ 6½%	16½	16½	Sthrn Pac	53½	53½
C S P & L	98½	98½			

*—Bid. †—Ex Div.

Shanghai Export Embargo Enforced

Aug. 1.

The Ministry of Finance in Nanking has now decided what kinds of goods shall be put under embargo. The embargo become effective from today. The list of goods to be prohibited from exportation from Shanghai was officially announced yesterday. The list reads as follows:—

LIST OF GOODS TO BE PROHIBITED FROM EXPORTATION

	Tariff No.
1. Hides and Leather	23, 23, 27b
2. Bran	45
3. Rice and Paddy	51
4. Wheat and Wheat Flour	53, 47a
5. Dyes, Dyestuffs, Pigments, Paints and Varnishes	55-58, 240, 242, 248, 270.
6. Vegetable Oils, Edible	99-94, 97-100, 102.
7. Rubber	145a
8. Coal	150
9. Cotton and Cotton Waste	174, 175
10. Hemp, Jute and Ramie	177-179
11. Sheep's Wool	185
12. Ores	214
13. Metals and Manufactures thereof	215-225
14. Chemical Products, Medical and Industrial Use	236-238, 241, 246, 247, 249.

However, any goods contained in the above list may still be exported from Shanghai, when special permission is granted by the Government authorities.

Unit Prices of Commodities

Aug. 1.

Unit prices of commodities used by certain employers as a basis of allowances to employees are published for their use each Friday morning. They are compiled in the Industrial and Social Division, Shanghai Municipal Council.

Due to the approach of the end of the month, prices ruling on July 28, are given instead of, as usual, price on July 30. Average prices for the calendar month are also given:

Commodities	Unit	Average Price
Non-glutinous rice (Kan Mee):—		
First grade	Shih	$139.17
Second grade	Shih	133.61
Saiton rice:—		
Best quality	Shih	127.27
Second quality	Shih	121.40
Rangoon rice	Shih	114.66
Glutinous rice (Nob Mee)	Shih	121 73
Wheat flour (Bicycle) 49 lb. net		33.554
Chin ts'ai	Chin	0.173
Yellow bean sprouts	Chin	0.190
Fresh pork	Chin	1.040
Fresh fish	Chin	0.921
Soy bean oil	Chin	1.511
Soy bean sauce	Chin	0.428
Coal briquettes	100 chin	15 957
Grey shirtings	Shih ch'ih	0.567

India Added to Freezing List

Tokyo, Aug 2.

The Ministry of Finance announced, effective today, the addition of India to the list of foreign countries subject to the freezing order.—Domei.

Japanese Consular Notices 19 and 20

July 30.

The following is the full text of the Japanese Consul-General's notice regarding the control of transactions by Japanese with foreign nationals.

Japanese Consul-General's notice No. 19.

1. The acquirement or disposal of the following, by those parties hereby prescribed by the Japanese Consul-General, or by those who transact on behalf of such parties, shall be required to obtain the permission of the Japanese Consul-General.

A. Rights regarding immovable property;
B. Enterprises, business and funds usable in enterprises or business;
C. Securities valued at more than Y.20.00;
D. Foreign and domestic exchange; and
E. Japanese military notes or their equivalent in Chinese currency amounting to more than Y.500.00 monthly (in cases other than corporation, amounting to more than Y.500.00 per household, including postal money orders which may be used as a means of payment in China);
F. Foreign currencies other than those mentioned in (E);
G. Movable properties other than those mentioned in (C) and (F) and amounting to more than Y.100..

2. The following, by parties prescribed by the Japanese Consul-General, or by others who transact for those prescribed by the Japanese Consul-General, shall require the permission of the Japanese Consul-General, excepting those cases wherein permission already has been obtained in accordance with regulations set forth in the preceding article (1).

A. To make or recover a loan;
B. To contract or return a debt;
C. To make or withdraw a monetary deposit;
D. To accept or to pay a monetary deposit;
E. To balance credits and debts;
F. To underwrite or accept a debt;
G. To acquire or dispose of credits or debts not mentioned in the preceding sub-articles.

3. The following, by parties prescribed by the Japanese Consul-General, or by others who transact for those prescribed by the Japanese Consul-General, and regarding property mentioned in article 1, sub-article A, C, E, F, G, shall require the permission of the Japanese Consul-General, excepting those cases wherein permission already has been obtained in accordance with regulations set forth in the preceding articles 1 and 2.

A. To make or accept a deposit;
B. To accept the return of a deposit;
C. To return an accepted deposit;
D. Lending or borrowing for use;
E. Letting or hiring;
F. Lending or borrowing for consumption;
G. Sub-letting or sub-leasing.

4. The provisions of articles 1, 2 and 3, shall not be applicable to the following cases:

A. Receiving of payments as public taxes or rates;
B. Receiving of salaries, allowances, or the like by employees or other workers of those who have been prescribed by the Japanese Consul-General.

By Tateki Horiuchi, Japanese Consul-General in Shanghai July 28.

Consular Notice No. 20

In relation to notice No. 19, 'Control of Transactions by Japanese With Foreign Nationals,' dated July 28, the following is prescribed:

United States nationals, including citizens of United States territories and the Philippine Commonwealth, United States corporations, United States-controlled corporations, and residents in territories of the United States.

The above is so notified:

By Tateki Horiuchi, Japanese Consul-General in Shanghai July 28.

Chinese Accounts in Malaya Frozen

Singapore, Aug. 1.

At the request of the Chungking Government, action was taken in this country, effective yesterday morning, freezing "foreign accounts" here of residents of the Republic of China, says a communique.

Accounts of Chinese nationals resident in Malaya with banks or branches of Chinese banks in Malaya are in no way affected.—Reuter.

India Freezes China Credits

Bombay, July 31.

The Reserve Bank of India today issued instructions to all banks in India to freeze deposits of all firms and individuals of Chinese nationality, and also those of firms establishde in Chinese territory, and also of firms under the control of residents in Chinese territory.—Domei.

Hongkong in Sterling Bloc

Hongkong, Aug. 2.

Effective today, Hongkong is officially within the sterling bloc.

As a result of the changeover, the local gold dollar rate will be governed by fluctuations in the London cross-rate.—Reuter.

China Residents' Sterling Balances Blocked

London, July 29.

IT IS officially announced that at the request of the Chinese Government, and in order to assist China's financial position, Treasury directions have been issued blocking sterling balances and other assets of persons resident in China. The directions come into operation as from the opening of business on July 29.

General authority is given for any payment in a sterling area, authorized on behalf of the Chinese Government, as well as payment necessary for the fulfilment of certain outstanding transactions.—Reuter.

Shanghai, July 30.

While news of the blocking of China residents' sterling balances by the British Treasury created a stir yesterday among Shanghailanders, especially those in business circles, local banking officials were unable to elaborate on the bulletin issued by Reuter as they had received no instructions from their headquarters in London.

Banking authorities had no information as to the possible effect the blocking order would have on Shanghai, preferring to adopt a "wait-and-see" policy rather than make futile guesses as to the outcome.

How U.S. Order Applies

Clarification of the extent of the "freezing" order as it applies to American banks may be obtained from a review of the licences granted by the United States Government to the banks concerned. It will be seen that considerable latitude is allowed to bona fide traders. The text of licences No. 58 and No. 59 follows:—

I. A general licence is hereby granted licensing all transactions ordinarily incident to the importing and exporting of goods wares and merchandising between the United States and any part of China other than Manchuria provided the following terms and conditions are complied with:

(a) such transaction is not by or on behalf of or pursuant to the direction of
(1) any blocked country other than China or
(2) any person within Manchuria or
(3) any national of any blocked country other than China unless such national is within China.
(b) such transaction does not involve property in which
(1) any blocked country other than China or
(2) any person within Manchuria or
(3) any national of any blocked country other than China unless such national is within China has at any time on or since the effective date of the order had any interest and
(c) any banking institution within the United States prior to issuing confirming or advising letters of credit or accepting or paying drafts drawn or reimbursing themselves for payments made under letters of credit or making any other payment or transfer of credit in connection with any importation or exportation pursuant to this general license or engaging in any other transaction herein authorized shall satisfy itself from the shipping documents or otherwise) that:
(1) any such transaction is incident to a bona fide importation or exportation and is customary in the normal course of business and that the value of such importation or exportation reasonably corresponds with the sums of money involved in financing such transaction; and
(2) such importation or exportation is or will be made pursuant to all the terms and conditions of this licence.

Monthly Reports

II. Banking institutions within the United States engaging in any transactions authorized by this general licence shall file promptly with the appropriate Federal Reserve Bank monthly reports setting forth the details of such transactions during such period including appropriate identification of the accounts which were debited or credited in connection with any such transaction.

III. As used in this general licence a person shall not be deemed to be "within China" unless such person was situated within and doing business within China on and since June 14, 1941.

General Licence No. 59

(I) A general licence is hereby granted licensing the offices within China of the following as generally licensed nationals:

(a) The Chase Bank
(b) National City Bank of New York
(c) Underwriters Savings Bank
(d) American Express Company
(e) Moscow Narodny Bank, Ltd.
(f) Thos. Cook & Son Bankers Ltd.
(g) Hongkong & Shanghai Banking Corporation
(h) Mercantile Bank of India, Ltd.
(i) David Sassoon & Co., Ltd.
(j) E. D. Sassoon & Co., Ltd.
(k) E. D. Sassoon Banking, Co., Ltd.
(l) Chartered Bank of India, Australia & China, Ltd.
(m) Nederlandsch Indische Handelsbank
(n) Nederlandsche Handel Maatschappij

(II) This general licence shall also authorize any such office of any such banking institution to finance imports and exports and transaction ordinarily incidental thereto between any part of China except Manchuria and any of the following:

(a) The United States
(b) The American Republics as defined in general license No. 53
(c) The British Commonwealth of Nations
(d) The Union of Soviet Socialist Republics
(e) The Netherlands East Indies

provided however that this authorization shall not be deemed to permit any payment transfer or withdrawal from any blocked account and provided further that any such office of any such bank prior to issuing confirming or advising letters of credit or accepting or paying drafts drawn or reimbursing themselves for payments made under letters of credit or making any other payment or transfer of credit in connection with any importation or exportation pursuant to this general licence or engaging in any other transaction herein authorized shall satisfy itself (from the shipping documents or otherwise) that:

(1) any such transaction is incident to a bona fide importation or exportation and is customary in the normal course of business and that the value of such importation or exportation reasonably corresponds with the sums of money involved in financing such transaction; and
(2) such importation or exportation is or will be made pursuant to all the terms and conditions of this licence.

Exceptions Noted

(III) This general licence shall not be deemed to authorize any transaction by or on behalf of or pursuant to the direction of any person whose name appears on "the proclaimed list of certain blocked nationals" or involving property in which any such person has at any time on or since the effective date of the order had any interest.

(IV) Banking institutions within the United States making any payment transfer or withdrawal from the accounts of any such office of the aforementioned banking institutions shall file promptly with the appropriate Federal Reserve Bank monthly reports setting forth the details of such transaction during such period.

Indian Action

Bombay, July 31.

The Reserve Bank of India has issued instructions to all banks that the accounts of all persons and firms resident in China, including Shanghai, or the accounts of all firms and companies incorporated therein or under the control of residents in these territories and operating in India, shall be blocked.

The banks have been informed that they may honour obligations under confirmed credits opened on or before July 30, 1941, on behalf of the residents of these countries, and may also accept bills or pay cheques drawn by such persons, provided they are presented by residents in India who became holders for the value on or before July 30.

Exempted Accounts

The following accounts are exempted from the order but the funds in them are releasable for payments within the sterling area only: the Central Bank of China, the Bank of China, the Bank of Communications, the Farmers Bank of China, the National Government of the Republic of China or any agency of it.

In addition, for the time being, this exemption also applies to accounts in India of Chinese branches of authorized dealers in foreign exchange. Private remittances to China are no longer permitted, and remittances for commercial purposes must be credited in rupees or sterling to any exempted account or to the blocked rupee account of a resident in China. Private accounts of Chinese residents in India are not restricted.—Reuter.

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Raw Silk Freezing Not Affecting Japan

Tokyo, July 26.

The United States executive order freezing raw silk stocks, and placing them under Government control which presages total stoppage of American importation of Japanese raw silk, will have little effect on the Japanese sericultural industry in view of appropriate measures already adopted by the Japanese Government, according to the consensus among trade and official circles.

It was pointed out that in view of the relative position of the demand and supply of fibrous materials within the country, Japan will be able to absorb all raw silk exports at home, because the Government completed arrangements for shifting the raw silk policy from dependence on foreign markets to home consumption by virtue of the raw silk industry control law which was enacted some months ago.

Unrestricted Basis

It was recalled that the Raw Silk Control Company which was established under the provisions of the law had been buying up raw silk on an unrestricted basis.

The firm at present holds some Y.40,000,000 in an operation fund, considered sufficient to buy up 100,000 bales, whereas the raw silk available on the market has been estimated at less than 90,000 bales of which 53,000 are in New York, and 35,000 bales in filatures.

It was also pointed out that the Government authorized banks to offer financial accommodation to the company for its purchasing operations.

Observers said that in this light it would be unnecessary to reduce the acreage of mulberry farms.

Meanwhile, reports indicated that the American silk and textile have been placed in a critical situation by the new silk freezing decree issued by Washington.

They were endeavouring to induce the Government to adopt a barter trade system or other arrangements with Japan, whereby adequate importation of Japanese raw silk would be ensured.—Domei.

Japan Will Pay Off Bond Interest

New York, July 29.

The Japanese Financial Commissioner here, Mr. Tsutoma Nishiyama, yesterday said that despite freezing of Japanese assets, interest and sinking fund payments on dollar bonds would be met as they come.

It was estimated these amount to from US$103,000,000 to US$138,000,000 but some are held by Japanese nationals and agencies.

Financial circles said the annual cost of the debt service on dollar bonds probably would not exceed US$12,000,000.

Mr. Nishiyama said he hoped the United States government would administer the freezing order in such a way as to facilitate payment.

In Washington, an official of the Treasury Department said that Japanese interest and sinking fund payments will require a licence and that nothing could be said regarding American policy thereon until applications are presented, when a decision will be made.—United Press.

F.R.B. Currency to Be Pegged to Gold Yen

Peiping, July 31.

The American dollar having lost its function as the currency for settlement of trade transactions following United States freezing of Chinese and Japanese assets, authorities of Central China have decided to shift the basis of the Federal Reserve Bank's exchange concentration system from the American dollar to the Japanese gold yen. Regulations governing the shift are to be effective immediately.—Domei.

Japan Business Declines

Tokyo, Aug. 4.

During the first half year of 1941, business in Japan showed a considerable decline due chiefly to the growing difficulty in adjusting labour, raw materials and capital requirements, according to investigations made by the Industrial Bank of Japan.

As a result, a considerable number of firms have been compelled to cut down their dividend rates. 114 companies in all being in that position. In the industrial fields, on the other hand, 120 firms were able to raise their dividend rates.—Havas Telemondial.

Steel Curtailment

Cleveland, Ohio, Aug. 5.

The magazine "Steel" estimated today that the steel indstry this week is operating at 98.5 per cent. of mill capacity, but said production would likely be cut shrotly.

Lack of raw material, notably scrap, and frequent revisions in rolling schedules—made necessary by the growth of priority ratings—have become great handicaps to the steel industry, the magazine said.—United Press.

H'kong For. Exchange New Regulations

Hongkong, Aug. 1.

Following freezing of Chinese and Japanese credits, new regulations governing foreign exchange have been officially announced. Henceforth all persons resident in Hongkong are subject to the defence finance regulations, whereas previously only Britishers were affected. Under the new regulations, everyone is required to sell his or her foreign holdings to the Government.

Meanwhile, foreign currency payments and remittances have been suspended by Chinese banks, but transfers of Chinese currency are permissible within the limits previously enforced.

The Government has announced that only the following banks are authorized to deal in foreign exchange the American Express Co., Bank of China, Bank of Communications, Chartered Bank, Chase Bank, Thomas Cook & Sons, Hongkong & Shanghai Bank Mercantile Bank, National City Bank, Nederlandsche Handels Naatschappij, and Nederlandsch Indische Bank.

Remittances to Shanghai are still permissible provided the amount does not exceed 1,500 Chinese dollars a month. Amounts exceeding this must be licensed by the Government, according to a Chinese banker, who added: "This amount would only be sold to those either known to the bank or who could produce satisfactory evidence of having made such remittances regularly in the past."

It is further stated that no contracts for future delivery of Chinese dollars will be signed, not even with an exchange broker, without production of a covering licence.—Reuter.

No Intention to Halt Trade Says Ishii

Tokyo, Aug. 5.

Both Japan and the Netherlands East Indies have "no intention to halt trade" between the two countries, Mr. Koh Ishii, Deputy Spokesman of the Information Board, told foreign correspondents at today's press conference.

Mr. Ishii disclosed that Mr. Yutaka Ishizawa, Japanese Consul-General in the Dutch Colony, was at present negotiating with East Indies authorities for the carrying on of normal trade relations. Mr. Ishii added, however, that he did not expect the trade volume to reach its former level. He said he believed that the Dutch authorities followed in the steps of the United States and Britain when they froze Japanese assets in the East Indies.

Asked if there were any Japanese ships available in the East Indies to transport oil to Japan, Mr. Ishii replied that he believed there were some ships there.—Domei.

Manchoukuo Control Of Foreign Trade

Changchun, July 29.

The Government today announced plans to create an overall foreign trade control body to unite and coordinate the control of operations of foreign trade associations and firms throughout the nation. The body tentatively is to be called the Manchurian Foreign Trade Association, and jurisdiction will extend to the Kwantung Leased Territory as well.

Practically all types of goods involved in the nation's foreign trade, with the exception of articles under Government Monopoly, will come under its control.

The creation of the body automatically will dissolve the Manchurian Importers Federation Association of Kwantung Foreign Trade Business Cooperatives and the Kwantung Foreign Trade Business Cooperative Institute.—Domei.

Monopolistic Practices

Washington, Aug. 5.

Mr. Leon Henderson, Price Control Administrator, yesterday announced that the Department of Justice was investigating alleged monopolistic in the scrap steel and iron industry.

Monopolistic practices, Mr. Henderson said, tended to raise prices. He said he was informed that about fifteen scrap iron and steel dealers had gained control of 98 per cent. of the scrap purchased by the steel mills and "secretly maintained subsidies in an effort to control prices, selection and grades," Mr. Henderson said.—United Press.

Japan Suspends Trade With Panama

Washington, Aug. 1.

The Department of Commerce last night announced that Japan had suspended merchandise trade with Panama since the United States had stopped Japanese ships from passing through the Panama Canal "because of repairs," and said that representatives of Japanese exporters in Panama took this action following the prohibition of Japanese ships from using the Panama Canal.—Domei.

Silk Farmers Refuse To Pay New Tax

Shanghai, July 6.

Farmers in Chekiang, Kiangsu and Anhwei will refuse to raise silkworms as a protest against the imposition of a fresh tax by the new régime, according to the "National Herald." The report says that silk filatures in Shanghai have been closed in view of difficulties in obtaining cocoons, the distribution and sale of which are monopolized by a Japanese firm.

It is said that even after Washington adopted various economic measures against Japan where the silk industry is hard hit, the Japanese have not relaxed their control over the silk business in the occupied interior here. Formerly Japan could export silk to Europe and America to obtain foreign exchange after reserving portions of the production for her own use, notably for the manufacture of parachutes but now the trade slump following Washington's order does not encourage the Japanese to allow the Chinese to continue the silk business, it is asserted.

The latest information is that Nanking wants to levy what is termed the "cocoons and native silk improvement tax." Silk-producing farmers' position is said to have thus been made more difficult than before. They will refuse to feed silkworms as a protest against the new tax, in addition to the old tax (started last year by Nanking) amounting to 12 per cent., which was later increased to 16 per cent. The reports indicate that the Japanese have brought the Chinese silk business under their control in a most thorough-going manner, having occupied all silk filatures in Wusih, Hangchow and Kashing.

U.S. Granting Russia Export Licences

Washington, Aug. 5.

Mr. Sumner Welles Under-Secretary of State, yesterday announced that the United States was issuing "unlimited licences permitting export to the Soviet Union of a variety of articles needed for strengthening defences of the U.S.S.R."

At the same time Mr. Welles announced extension for another year of a basic commercial trade pact between Washington and Moscow.

Mr. Welles said that the United States also was giving "favourable consideration to requests for extension of available American shipping facilities in order to expedit shipments to the U.S.S.R. or articles and materials needed for defence.

The disclosures occurred in an exchange between Mr. Welles and M. Constantin Oumansky, Soviet Ambassador, which was made public yesterday.

The permission ostensibly was the result of the visit here of the Soviet military mission, plus the visit to Moscow of Mr. Harry Hopkins, coordinator of the United States aid programme.

M. Oumansky indicated that the Soviet's expected that the quantity of United States aid may be "huge."—United Press.

Japanese Oil Companies To Merge

Tokyo, Aug. 5.

In view of the necessity of advancing domestic oil production in order to cope with the decreased supply from overseas, the Fuel Administration Bureau of the Ministry of Commerce and Industry has decided to carry out a merger of about ten small medium-scale oil companies into a few large companies.

The Ministry reports that 90 per cent. of the total refining capacity is at present controlled by the semi-governmental Japan Oil Company and a few other big concerns.

It is believed that the Commerce and Industry Ministry will simultaneously extend the rationing ticket system now applied to gasoline to heavy oils as well as light oils, machine oils and kerosene.—Reuter.

N.E.I. Ordinance on Import Bills

Batavia, July 30.

The Government has issued an ordinance regarding the settlement of import bills from Japan in which such bills should be collected in guilders and the proceeds transferred to a special current account, the "Central account for Japan trade," with the Java Bank.

The Government also disclosed that living expenses for Japanese who are managers of Japanese firms must be limited to 500 guilders a month, and Japanese clerks to 300 guilders a month.—Domei.

The crops are plentiful this year in the provinces of Szechuan, Hunan, Hupeh and Anhwei said the Minister of Agriculture and Forestry in Chungking yesterday, according to the "Cheng Yien Pao." About 80 per cent. of these crops will be harvested this year. In Suiyuan province, however, the crops have been affected by the prolonged drought and less crops than at first expected will be harvested during this summer, the announcement of the Ministry declared, the report says.

COMPANY MEETING

S. Moutrie & Co. Ltd.

Aug. 2.

A profit of $328,238.53, a record for the company, was shown in a very satisfactory report of the year's working of Messrs. S. Moutrie & Co., Ltd., at the 42nd annual general meeting of shareholders, held yesterday at the offices of Messrs. Ilbert & Co., Ltd., secretaries and general managers, 17 Canton Road, when a dividend of 20 per cent was declared. Dr. W. J. Isenman, chairman, presided supported by Messrs. K. E. Newman, J. F. Brister, directors and shareholders representing 2137 shares.

The chairman in his speech said:—

As the printed report and accounts have been in your hands for some days, I trust I may have your permission to take them as read.

You will have noted that the profit for the year ended March 31, 1941, amounted to $328,238.53 which shows a further substantial increase over the results of the preceding year, and which, in terms of Chinese currency, creates yet another high record in the financial history of your Company.

These highly satisfactory results are due, in no small measure, to the admirable spirit of industry and cooperation which has been displayed by all members of the staff both in Shanghai and elsewhere, and I welcome this opportunity of placing on record the Board's appreciation of your unfailing loyalty to the interests and welfare of the company.

Conditions Abnormal

At the same time, I feel it is my duty to point out that conditions have been abnormal, and that we have been passing through a period of severe price inflation which, due to the depreciated value of the dollar, has resulted in a wave of prosperity which, in many cases, may prove to be more imaginary than real.

The reaction which must inevitably ensue is a matter which has the constant consideration of your directors, who trust that their policy of building up reserves to unprecedented heights is one that will meet with the approval of all the shareholders of the company; it will be noted, that a small reserve has now been allocated as advertising reserve.

Low Valuation of Assets

A glance at the balance sheet now before you, with particular reference to the extremely low figures at which the assets are valued, in conjunction with the substantial total of reserves, will, I think, convince you that your company is in a position to withstand any period of depression which may reasonably be anticipated.

In this connection, however, I should like to refer to the shortage of liquid capital which may be regarded as the one weakness in the financial position of your company at the present time.

This shortage is mainly due to two conditions, both of which I think I am justified in saying are only temporary; firstly, the continued upward trend in commodity prices, and secondly, the freezing of balances held at our Malayan branches. For this reason your board has considered it expedient to adopt temporary remedies in the nature of bank overdrafts and short-term loans, rather than to involve the company in any permanent increase of the issued capital. The issue of new shares has been suggested and has been given careful consideration, but your directors are convinced that such a step would not be in the best interests of shareholders, if only for the reason that the intrinsic value of your shares in several times in excess of the price which could be obtained for any new issue on the local market under present conditions.

I have no further comments to make on the balance sheet except to point out that the balances of depreciation reserve ($6,000), investments reserve ($3,666,34), and the insurance fund reserve ($5,415.02), which are no longer necessary, have been consolidated and transferred to general reserve.

Before proposing the adoption of the report and accounts, I shall be glad to reply to the best of my ability to any questions which shareholders may wish to ask. There being no questions, the Chairman then put the following resolutions to the meeting, all of which having been duly proposed and seconded were carried unanimously:—

That the directors' report and audited statement of Accounts as presented for the year ending March 31, 1941, be and they are hereby received, approved and adopted.

That the recommendations as to appropriations as presented in the report of the directors and statement of accounts be accepted.

That the appointment of Mr. J. F. Brister as a director be confirmed to take the place of Mr. K. G. Stephenson who retires on leaving Shanghai.

That as from April 1, 1940, and until otherwise determined, the annual fee payable to each director shall be CN$2,500.

That Messrs. Lowe Bingham & Matthews be re-elected auditors to the company for the ensuing year at a fee to be arranged.

That Dr. W. J. Isenman who retires in accordance with the Articles of Association and being eligible, offers himself for re-election.

The following are the appropriations which were unanimously approved and the shareholders have every reason to be pleased with the year's results.

Pay a dividend of 20 per cent.	$99,700.00
Place to general reserve	50,000.00
Place to stocks reserve	35,000.00
Place to branches reserve	50,000.00
Place to building reserve	20,000.00
Place to equalization of dividend reserve	50,000.00
Place to advertising reserve..	5,000.00
Donate to Voluntary War Contribution fund	7,500.00
Carry forward to new account	44,318.39
	$361,518.39

Company Dividend

S'hai Exploration & Dev. Co., Ltd.

July 30.

At a meeting of the board of directors of the Shanghai Exploration & Development Co. Ltd. held yesterday at the office of the general agents, Messrs. George McBain, 1 The Bund, Shanghai, it was decided to declare an interim dividend on account of the year ending December 31, 1941 of $2 local currency per share, plus a special bonus interim of $2 local currency per share, payable to shareholders on register at August 18, 1941.

Raw Silk Futures

New York, July 28.

Governors of the Commodity Exchange today suspended trading in raw silk futures until further notice. The action followed a request from Mr. Leon Henderson, Price Control Administrator, for such action.—United Press.

Mentoukou Mines

Messrs. George McBain have received information from the Mentoukou Mines that for July production of coal was 37,400 tons, and sales amounted to 42,597 tons.

June Rubber Outputs

	lb.
Alma Estates, Ltd.	50,680
Ayer Tawah Rub. Plant. Co., Ltd.	61,000
Batu Anam (Johore) Rubber Estates, Ltd.	40,508
Anglo-Dutch (Java) Plantations, Ltd.	169,093
Anglo-Java Estates, Ltd.	342,154
Chemor United Rubber Co., Ltd.	49,590
Cheng Rubber Estates, Ltd.	29,024
Java Consolidated Rubber & Coffee Estates, Ltd.	88,134
Kapayang Rubber Estates, Co., Ltd.	16,058
Kroewoek (Java) Plantations, Ltd.	113,978
Permata Rubber Estate Ltd.	8,100
Repah Rubber & Tapica Estates, Ltd.	54,364
Rubber Trust, Ltd.	128,358
Semambu Rubber Estates, Ltd. ..	37,512
Samagaga Rubber Co., Ltd.	45,350
Senawang Rubber Estates Co., (1921) Ltd.	51,600
Shanghai Malay Rubber Estates, Ltd.	50,379
Shanghai Scrimban Rubber Estates, Ltd.	19,861
Sua Manggis Rubber Co., Ltd. ..	20,350
Sungala Rubber Estate Ltd. ..	37,100
Tebong Rubber Estates, Ltd. ...	122,815
Ziangbe Rubber Co., Ltd.	160,715

July Rubber Output

	lb.
Langkat	143,000
Shanghai-Sumatra	74,469

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Issued and Fully Paid-up ..... HK$20,000,000
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Reserve Funds { Hongkong Currency ..... HK$10,000,000
Reserve Liability of Proprietors ..... HK$20,000,000

Board of Directors:
Hon. Mr. J. J. Paterson, *Chairman;* W. H. Lock, Esq., *Deputy Chairman;* J. K. Bousfield, Esq., A. H. Compton, Esq., L. J. Davies, Esq., Hon. Mr. S. H. Dodwell, G. Miskin, Esq., K. S. Morrison, Esq., Hon. Mr. T. E. Pearce, Hon. Mr. A. L. Shields.
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LETTERS TO THE EDITOR

Should be Stopped:

Trading with the Enemy

To the Editor of the "North-China Daily News"

Sir,—Mr. Winston Churchill has said "We are not a totalitarian state, but we are making ourselves into a total war organization."

One would like to ask if we Shanghai Britons are individually big interests and small interests, pulling our weight to the utmost in order to make the British Commonwealth effort a total war organization.

For on Saturday last I noticed an advertisement of a certain motor car concern in the "Noon Extra," which is a local Nazi paper. This motor car concern advertises as the agent for one of the most popular English small cars.

Then again, on looking through the list of Nazis in this city I find at least eight names which are employed by British firms.

The war historian Hilaire Belloc has said that "a complete blockade would have ended the Great War in 1915 or 1916." We ex-service men are fully aware that our Navy is being severely handicapped in not been able to exercise its full blockade powers. One is inclined to ask if history is repeating itself.

However, surely the British organizations such as the B.R.A., R.A.F.A. and United Services Association can make a united effort to better co-ordinate and organize British opinion by launching a campaign to stop trading with the enemy.

Contact.

Shanghai, July 30.

Shanghai:

The Incomprehensible City

To the Editor of the "North-China Daily News"

Sir,—Although I am a newcomer to this city I would like an opportunity to point out a few incomprehensible actions on the part of the local police. The direction of traffic is very lax at the intersections, but the policemen on duty seem to take this for granted. On the other hand I have witnessed a foreign policeman severely bawl out a Chinese beggar with a child in her hands who was lying on the sidewalk and order her to be on her way. It is true she moved while he was in sight, but the moment he was gone she had already occupied her former place. What is the use of making (or ordering) a beggar to move on and keep moving if he has no place to go to? I was under the impression that the Municipal authorites had fixed on a plan to rehabilitate all the beggars and destitutes in the city and make good and respectable citizens out of them. The manner in which they appear to be going about it is certainly incomprehensible.

I am aware that the job they have undertaken is a difficult and a laudable one. I also do not approve of allowing beggars to disturb the inhabitants either by their appearance or supplications. However, something should be done about this matter as just hounding the mendicants from place to place will definitely not solve the situation. If the idea has not yet been contemplated, how about establishing workhouses, somewhat on the English lines? This might be impracticable, but as long as there is a Municipal Council why not let them try and find a solution if they have not tried to do so already. My views being of a stranger to this city might be mistaken, but am simply stating what I have personally seen.

O.

Shanghai, July 27.

Bus Fares:

The Latest Increases

To the Editor of the "North-China Daily News"

Sir,—May I ask you to favour me with a little space in your paper regarding my experience in connection with bus fares on Route No. 14, viz:

From	To	Old cents	New cents	Incr. %
Bund	Yates Road	15	30	100
Yu Ya Ching Rd.	"	10	25	150
Mohawk Road	"	10	20	100

From the above it will be seen that the minimum increase is 100 per cent, medium increase is 150 per cent, and I learn that the maximum increase is 165 per cent and not 65 per cent as announced by the Bus Company.

It was well known to the public that the bus fares were increased to 65 per cent only on July 15, 1941, and that the increase was approved by the Council on the recommendation of the Special Committee.

I wonder if the Council and the special Committee have any knowledge of the above-mentioned charges. In case the new charges have been submitted to the Special Committee for approval, then why has the Committee fixed the increase at 66 per cent? Or is the Bus Company trying to hoodwink the public?

Buddy.

Shanghai, July 30.

Winston's Schooldays:

Dr. Welldon's Interest

To the Editor of the "North-China Daily News"

Sir,—It may interest your readers to know a little of the schooldays of Winston Churchill, when he entered Harrow School at the age of thirteen years in 1888.

Bishop Welldon, the famous Headmaster of Harrow at that period and himself only 34 years of age (he became Head at 31) used to relate amusing incidents connected with his intractable but lovable pupil, Winston Churchill, during the latter's sojourn at "the School on the Hill." He was by no means amenable to school regulations, and, the despair of the assistant masters, was frequently disciplined, by the Head himself, in the latter's private study—and all public school boys know what that means!

His younger brother, Jack, had a sunny disposition, studious and obedient, and on his account Lord and Lady Randolph had no qualms.

But even during those early days Dr. Welldon predicted a great future for the boy Winston in the moulding of whose character he played so great a part. An unbroken bond of mutual affection and esteem existed between master and pupil until the Bishop's death at the great age of 83, four years ago.

He it was, who officiated at Mr. Churchill's wedding with Miss Clementine Hozier at Kedelston, near Derby, in 1906. That same day, after the ceremony, Bishop Welldon proceeded to Manchester to become Dean of that great city.

Incidentally, the writer was present when Winston Churchill returned to his hotel in Manchester after suffering defeat at the hands of Mr. Joynson Hicks in the General Election of —was it 1908?—after representing North-West Manchester for several years. Mr. Churchill, only then in the early thirties, was bitterly disappointed at the polling results, and his mother who accompanied him tried her best to console her brilliant son, saying:— "Cheer up, Winston—you must not take this to heart."

In the library of the deanery at Durham where Harrow's former Headmaster passed almost the entire latter years of his life, there stood a photograph of Lady Randolph and her two sons, which was among the great scholar's most prized possessions.

How proud Bishop Welldon would have been had he lived to see the day when the destinies of the British Isles and Empire would be placed so confidently in the hands of his rebellious but beloved pupil, Winston Churchill!

Manchester Woman.

Shanghai, July 28.

R.A.F. Over Germany:

A Significant Accident

To the Editor of the "North-China Daily News"

Sir—Encouraging reports come in from time to time, from all sorts of indirect sources, confirming the news which the aviators of the R.A.F. bring back from their trips over the German railroad centres and marshalling yards.

The latest is contained in the report published a short time ago in this paper, concerning a very serious railway accident which occurred on the downgrade of the St. Gotthard line, connecting the north of Europe with Italy.

According to the latest Swiss radio reports, this accident, which caused considerable loss of life and completely blocked the traffic for more than a day, was not caused by sabotage, as was at first feared, but was due to the fact that a number of "foreign" goods cars were attached to the train, which were fitted only with inferior hand-operated brakes and not with the automatic brakes without which, in former years, no goods traffic was admitted over this important mountain railroad link.

It is quite evident therefore that there is a serious shortage of properly equipped goods trucks in the "foreign" country in question, shortage which can be directly ascribed to the destructive action of the bombs which have been so liberally scattered over the main railroad centres of the Reich. This shortage will increase as the visits of the R.A.F. grow more and more frequent and severe and as the overhauling and repairing facilities diminish.

A country without adequate transport facilities is a dead country.

V.

Shanghai, Aug. 1.

Jewish Girls' Fair:

Successful Guide's Effort

To the Editor of the "North-China Daily News"

Sir,—May I encroach on the hospitality of your journal to report the result of the Fun Fair held by the 9th. Shanghai Company, Girl Guides on July 20 at the Shanghai Jewish School and to express grateful appreciation to all supporters and helpers.

The nett profit of the Fair was $1,200.

Aziza Abraham.

Shanghai, July 30.

Local Russians:

Their Attitude to Germany

To the Editor of the "North-China Daily News"

Sir,—It is with a feeling of regret that I find it necessary to emphasize the fact, that a number of White Russian organizations must now be regarded as enemies of Great Britain, America, China, Soviet Russia and the countries occupied by Hitler.

Voicing the feeling of the majority of the Russian population in our city I must confess, that the Russian community have read the declaration of White Russian organizations denouncing the Soviet Russian patriotic cause, with a feeling of shame.

The organizations mentioned should have refrained from publishing such a disgraceful "declaration" in the local Russian Press and one must only wonder how it became possible for them to print such a shameful document.

Everyone is free to have his own political opinions and views and the struggle between the Whites and Reds is a purely domestic matter, but whenever one's country is threatened by a common enemy it is the natural duty of every citizen to fight the invader.

There can be no doubt whatsoever, that the entire allied community in Shanghai will consider the organizations mentioned as being in the enemy camp and I can only express the hope of the majority of Russians here, that the said organizations will be dealt with accordingly.

The thought, that the Soviet Government is not defending the national interests of the Russian people is nothing but absurd and disgraceful. I have no intention whatsoever to arouse political passions in our city, but it must be said, that the German fascist propaganda working through the channels of traitors to the National Russian Cause—such as the organizations mentioned, shall score no success among the Russian Colony that has openly declared its pro-Soviet stand.

The Soviet Union is putting up the most magnificent fight against Hitler and in joining the voices of true Russians here I wish to say from the bottom of my heart,

Long live the Soviet Union.

L. V. Grosse.

Shanghai, Aug. 2.

The Copperheads

To the Editor of the "North-China Daily News"

Sir,—There appeared in certain Russian newspapers to-day a letter signed by some twenty Russian fifth-column organizations, the general trend of which is that the present war between Russia and Reich is being waged by the latter with the altruistic and desinterested end of "liberating Russia from the yoke of Bolsheviks," and of making it possible for "Nationalist Russia to enter, as a full-powered member the great brotherhood of peoples of Europe and Asia, who are building a New Order on a basis of social justice and national consciousness."

It was furthermore alleged in the letter that the Russian Army is being forced to fight "under the menace of guns of political commissars," and that the Russian people are craving to be liberated by the Nazis from Soviet oppression. "We firmly believe," stated the letter, "that the present war will lead to the establishment of a nationalist government and the resurrection of Great Russia."

Hopeless lunatics, with withered brains, are these miserable quislings, the authors of the letter! Some of them,—the madmen, naively believe what they say, the others,—the traitors,—say so in order to fill their bellies with the crumbs that fall from the enemy table.

All clear-thinking Russians, be they White or Red, know that German victory signifies the end of Russian independence for many a century to come, and have cast away, with the beginning of the war all their former prejudices against the Soviet régime.

Hitler's aim is not, as some think, the liberation of Russia from Communists, but the enslaving of its entire population and the annexing of its territories. Those who doubt it should read the "Mein Kampf" where Hitler calls Russians the dregs of humanity, unworthy to be anything but Teutons' serfs, and where he speaks about the divine rights of Germany on Ukraine, Caucasus and the Ural.

Russia will never forgive those copperheads who, in the hour of her greatest peril, joined hands with the enemy.

It is true that life in the Soviet Union is not all roses. Much blood was shed, some of it unnecessarily, during the Revolution and the subsequent years. There was, and still is, much suffering and want. Many commodities of first necessity are scarce. But it should be borne in mind that during the past twenty years a gigantic industry was created out of nothing, an industry which is being utilised almost exclusively for defence. We see now that these efforts were not spent in vain. Many seemingly prosperous nations have fallen victims to aggression for lack of adequate military might, and have now to pay for their former easy-going ways.

Personally I did not see old Russia, but I lived in the Soviet Union until some ten years ago, when my parents committed the mistake of fleeing abroad. I saw and experienced much privation there, but not the humiliation that I suffer here, in exile,—a man without a country. Should an opportunity occur, I would return back without a moment's hesitation, knowing fully the difficulties that would meet me there.

I hope that this letter will clarify to the foreigners the sentiments of the overwhelming majority of Russians.

C. J. K.

Shanghai, July 31.

Transport Squeeze:

A Reader's Suggestion

To the Editor of the "North-China Daily News"

Sir,—It has occurred to several members of the travelling public that possibly the Settlement transport companies from the Chairmen to the junior inspectors are scared stiff—of the conductors.

No reference was made in your recent leader to the vast amount of uncollected fares; not due to overcrowding but because of the tacit understanding between conductors and passengers that it is a shame to let good Chinese money go into foreign pockets.

We must not forget that the conductors once went on strike for what was basically the right to squeeze.

To offer a constructive suggestion, would it not be feasible for the companies to organize a joint force of Chinese-speaking plain clothes police to board trams and buses at irregular intervals and report on malpractices observed?

Fares Please!

Shanghai, July 29.

Another Remedy Suggested

To the Editor of the "North-China Daily News"

Sir,—Here is my suggestion for the elimination of "squeeze" by the conductors of our transport companies.

All passengers to buy season tickets monthly and in the case of the Bus Company to have differently painted buses for first and third-class passengers and the season tickets to be printed in English and Chinese with a coloured mark denoting which class.

If the prices of such tickets were $25 for adults and $12.50 for children for the first-class and $12 and $6 for the third-class, no undue hardship would fall on the poorer classes of our community. "Evening Tickets" at cheaper rates could be issued for those who use buses only after office hours. Fewer stops and more dilligent inspectors would also greatly help.

I believe the Company would pay handsomely at these prices and the conductors would not handle any money at all.

Admitted the casual rider would be out of luck, but there are rickshaws for him and, anyway, the Company could never please everybody however much they tried.

F.S.M.B.

Shanghai, July 30.

Appeal to the Public

To the Editor of the "North-China Daily News"

Sir,—With reference to the letters which have appeared in your correspondence columns with regard to the practice of squeeze indulged in by some Conductors in the employment of this company, I have to state that while the company fully realizes that the responsibility for the proper supervision and control of conductors in the performance of their duty rests with it, and while the company has a large and efficient staff of ticket inspectors comprising Chinese, Korean, Russian and British constantly at work on all routes, it would be greatly appreciated if the company could have the active assistance of all passengers in its efforts to exterminate evil practices. For some time past, a notice has appeared in all tramcars and trolley buses requesting passengers to insist on receiving a ticket of the same value as the fare paid, and if this request were complied with, the problem of squeeze would be well on the way to a complete solution.

Should passengers have difficulties with conductors, it would be appreciated if they would inform the company accordingly, giving the conductor's number and enclosing the ticket.

The company is grateful to passengers who have from time to time submitted complaints in writing. All such complaints are fully and carefully investigated and appropriate disciplinary action taken including dismissal.

It will be apparent that squeeze is equally repugnant to the company and its officials as it is to passengers, and while it may be expecting a lot to hope for its complete elimination, much could be done in our particular problem if passengers would kindly carry out the request of the Company and insist that they get a ticket punched in their presence of the same value as the fare paid. That is all we ask.

Some members of the public may be of opinion that conductors are obliged to squeeze because their wages are too low, but this is not so.

Good wages and allowances are paid and the company is ready to divulge the figures to any constructive inquirer.

A. A. Ewing,
General Manager,
S'hai Electric Construction Co., Ltd.

Shanghai, Aug. 1.

A Traffic Jam:

The Result of a Collision

To the Editor of the "North-China Daily News"

Sir,—The traffic jam in Nanking Road this forenoon showed the utter lack of traffic supervision, that is a daily occurrence in the Settlement these days. A car near the bus stop just past Central Road, evidently trying to pass another car parked there, struck a west bound tram scraping some paint off the tram. It is farcical to think that because of this slight collision, the whole of the West and East bound traffic should have been held up for about half an hour and passengers in busses and trams locked in till the argument was settled.

Scrutator.

Shanghai, July 29.

Some Jazz:

Music of Defeatism?

To the Editor of the "North-China Daily News"

Sir,—When opening an Exhibition of Instruments of Music in Kelvingrove Art Galleries, Glasgow, recently, the Lord Provost of Glasgow (Sir Patrick Dollan) described the music provided during the last half-hour of the B.B.C.'s daily programme as "The Music of Defeatism."

During the course of his remarks the Lord Provost said that before midnight on the previous evening he had listened to "the most terrible music coming from a London club. Nobody could go to bed feeling we were a vigorous and live nation with "that kind of stuff being poured into our ears."

Sir Patrick continued that, on switching over to Germany and other foreign stations, he heard the strong stirring music of a people very much alive. "If the B.B.C., or whoever was responsible, imagined we "were going to win a war and maintain the *morel* of our people with the kind of stuff they were putting over from 11.30 to midnight, they were making a terrible mistake and were insulting the intelligence of every household in Great Britain." He asked those responsible, in the name of commonsense, to cut out the stuff to which he had alluded and to substitute decent music instead. "It would be far better to give us silence," he added, "and let us read a book than dope our ears and stupify our wills with the kind of drivel we are getting between 11.30 and midnight."

Mr. Melville Dinwiddie, Scottish Director of the B.B.C., was one of an audience who heard—and many of whom applauded—the Lord Provost's criticism.

I think many of your readers will agree with my contention that Sir Patrick Dollan's criticisms may be applied with equal force to most of the type jazz music dished out to us nightly from 10.30 until midnight by all—or nearly all—the principal local foreign radio stations. They often appear to be engaged in a serious attempt to out-do the other fellow in rending the air with the horridest possible cacophony of jangle and sound, and the hapless listener has either to switch from one station to another in the hope of striking something a trifle less nerve-shattering or else abandon the quest altogether as a hopeless one.

There are plenty of dance tunes of the jazz type quite pleasing to the ears and senses, and the writer of this letter is far from wishing to indulge in wholesole condemnation of all jazz music. He is certain, however, that the discordant muck of which so much is inflicted upon the present generation of dancers or radio listeners is utterly evil and bad, and, as Sir Patrick Dollan called it, only deserves to be regarded as the Music of Defeatism. Would that America and Great Britain would unite to ban it; Germany and Italy at least deserve credit for having done so!

Orpheus.

Shanghai, July 31.

These Floods:

The River-Road Edan

To the Editor of the "North-China Daily News"

Sir,—

A bobby on Route Edan,
Just fancy the thing if you can!
Such rarely is seen
On its pavements so green—
More meant for goats than for man.

A Route that brings to my mind,
A romantic spot on the Rhine,
A roadway when dry,
But when raining—oh my!
A tributary sweet of the Rhine.

Such poetic wonders must be,
Till a change in our fortune we see,
And the seemingly lax,
Recalling the tax,
With something of sympathy
Proceed according to plan
On the banks of the River Edan.
Till a wonder behold,
Like the wonder of old,
In a literal—Route Edan!

Just Jocosity.

Shanghai, July 29.

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St. Peter's Role:

Bishop Curtis Replies

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—This would have reached you a day earlier but that our Saturday paper was a day late arriving.

May I say now in your correspondence columns what I said to you in acknowledging your action in lopping off the last three paragraphs of my sermon? "It is like a kidnapper remonstrated with when he returns the kidnapped person's body minus its head saying, "It's complete but for the head!"

The chief point in my sermon was the clause in the last paragraph: "The Holy Ghost, the one infallible guide."

We believe with the whole Church that our Lord promised His Church the guidance of the Holy Spirit working in it (a much more Catholic body than the part of it that would reserve the title "Catholic Church" for itself), but we do not believe that He works through the Bishop of Rome more than through any other Christian leader nor do we accept the Roman dogma that the Bishop of Rome when speaking ex cathedra he defines the doctrine to be held by the universal Church about faith or morals is any more necessarily infallible as Bishop of Rome than any other leader in the Church.

When we read the four chapters of the Vatican Council of 1870 (passed as is common knowledge against the weight of learning in the Roman Church itself by an assembly packed with ignorant Italian bishops) we feel that we may possibly (but most likely not!) avoid the anathema attached to the first chapter about "the Primacy of Peter" but we are certainly subject to those of chapters 2, 3 and 4, "The continuation of the Primacy of Peter in the Roman Pontiffs." "The force and reason of the Primacy of the Roman Pontiff." "The Infallible *magisterium* of the Roman Pontiff."

As my sermon shows, we all allow a certain "Primacy" to St. Peter and thank God for his leadership, but we use different language about it to that which our Roman brethren use and we cannot see any suggestion of the promise that he will be an "infallible" guide or teacher in a different way from other apostles.

All readers of early church history will also find St. Peter's occupation of the See of Rome difficult to establish, though a connection with the Church well after its founding will be granted by all, and we can understand the glad remembrance of this by the Church of Rome, though we refuse to draw the conclusions they draw from it. And with reference to my objection to the title "Catholic Church" used to describe the Roman Communion, may I point out that the first words in the first chapter of the decrees passed at the third session of the Vatican Council are *"Sancta Catholica Apostolica Romana Ecclesia credit....."* The only mark of distinction here from the rest of the Church of Christ is *"Romana,"* so to all members of the Church of Christ rejoicing to be members of the *"Sancta, Catholica, Apostolica,"* Church the proper designation of the members of the Roman Communion is the "Roman" Church. No shouts of "false, false" from Nanking nor any other provocation will produce any further share in this controversy from me. Anybody reading this letter and/or my sermon will be quite clear about my position re the "Claims of the Roman Church."

JOHN CURTIS,
Bishop.

Hangchow, July 28.

The Roman Complaint

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—For BISHOP CURTIS kind words, at the end of his anti-Petrine sermon, for Catholics and their mission work especially, we are grateful. Without raising the cry of "False! false!" to everything he states in his letter of August 28, I should nevertheless like to take exception to much of it. He complains to you, Mr. Editor, for lopping off three paragraphs which contained an essential point, saying, "It is like a kidnapper remonstrated with when he returns the head saying, 'It is complete but for the head'." Our complaint against him is that he has done something similar and worse; tried to give us the Church with its head, Peter, lopped off. The Catholic apologist is faced with the task of proving the perfectly obvious: That the Church, like any other great living body or thriving organization, ought to have a visible head. If the local manager of a business concern returns to the States he considers it the normal thing to appoint a visible head to take over the direction of affairs; otherwise his business will go to pieces. If he is a man of very strong faith he may leave everything to the Holy Ghost, but I doubt it. Now Catholics have the extraordinary persuasion that Christ had at least as much common sense as the average Shanghai business man.

It is a fact that the greatest bishops and priests of the early Church, who are the witnesses to its faith, and on whose teachings the Church draws today, were clear and unanimous with regard to Peter's real and effective primacy. At the Council of Ephesus (A.D. 431) the papal legate stated: "No one, yea, all ages know, that the holy and most blessed Peter, the Prince and Head of the Apostles, the Pillar of Faith, the Foundation of the Catholic Church, received the keys of the kingdom from our Lord Jesus Christ....who even until now, and always, lives and judges in his successors. Wherefore, our holy and most blessed Pope, Celestin, Bishop, his successor in order, and holder of his place, has sent us to this Holy Synod to supply for his presence." As in the early apostolic councils, so in all the later councils presided over by the Pope or his legate, it could be said, "It has seemed good to the Holy Ghost and to us...." For the Lord certainly did promise the Church the guidance of the Holy Spirit; but His Church, the one he personally founded on Peter the Rock, not any and every group irrespective of when or by whom it was founded or whether it is in heresy today or not. There is no evidence whatever that He promised the guidance of the Holy Spirit to any church not connected with Peter. For it doesn't make sense that the Spirit is to be blamed for the many contradictions taught today. E.g. if one group teaches that the Pope is infallible, and another the exact opposite, that he is not infallible, both cannot be correct. The Holy Spirit is the spirit of Truth, not of contradiction. So let's not charge the poor Holy Spirit whose function is to guide only that Church which history shows was founded by Christ, with the mistakes of men.

The BISHOP is wrong when he states petulantly that the four chapters of the Vatican Council of 1870 (1869-70 to be exact) were passed, as is common knowledge, against the weight of learning in the Roman Church itself, by an assembly packed with ignorant Italian bishops." This council was an ecumenical council for which approximately 1050 of the most learned prelates from the whole Catholic world were eligible. Of this number no less than 774 actually took part. The question of papal infallibility had indeed caused great controversy before its definition but the overwhelming majority, some four-fifths of the council, believed the matter should be officially discussed and then defined. Only a very few of the bishops in the minority party seem to have had any doubts about the dogma itself even before definition, but feared for various reasons that it might not be opportune to have it defined at that juncture. Rare are the parliaments which have ever discussed any important matter so carefully or so thoroughly as was this question at the Vatican Council. In the course of two months all the pros and cons were examined and debated over and over again. As long as the discussion lasted the members were perfectly free to express their views. When the final vote was taken, 433 were in favour, only two, one an American bishop, the other an Italian, were opposed. These two, when the result was announced, immediately advanced to the papal throne and acknowledged their acceptance of the truth as defined. No one of the bishops or cardinals, even those who during the discussion had raised the strongest objections and who were not present at the final vote, rejected the official decision. In the same way, the distinguished Frenchmen and Englishmen who, outside the Council, had expressed opinions antagonistic to the promulgation of the dogma while it was still under deliberation, e.g. Gratry, Montalembert, Lord Acton, Newman, submitted after the decision was made; and Newman's defense of the dogma in reply to Gladstone's letter is one of the finest I have ever read. Only Dr. Dollinger, the German, and a few of his adherents apostatized because of the decision.

BISHOP CURTIS' branch theory might lead to some queer conclusions. There would be Roman Catholics, Russian Catholics, Anglo-Catholics, Protestant Catholics, etc. Moreover, our people wouldn't be satisfied to be relegated to the status of a mere branch; historically we are, and hence shall continue to claim to be, the tree. I might as well admit that we have no objection to being called "Roman Catholics" if by that is meant that we are Catholics whose head is the Bishop of Rome. Too many people however argue against us: a. Roman; therefore foreign, Italian; therefore Fascists, and conclude that all Catholics whether American, English, Chinese or whatever, are Fascists. b. That the acceptance of the term Roman means that we acknowledge the branch theory; that we have merely the Roman form of Catholicism, whereas others have the English form, others the Greek form, etc. BISHOP CURTIS, who apparently doesn't like Italians especially if they are bishops, seems to imply both these points when he dubs us Roman. Hence, better just call us Catholics—our friends and our enemies both understand that. If others are anxious to appropriate the term Catholic for themselves, let them use their own adjectives without applying any to us.

In conclusion, I do not wish at all to imply that BISHOP CURTIS is entirely wrong. In fact, by believing in the Sancta, Catholica et Apostolica Church, he is three-fourths right. There is but one thing missing: he will be a full-fledged member of the Church of the ages when he takes the only logical step and accepts also the Romana, the headship of the Bishop of Rome, successor of St. Peter. And so we generously forgive his attack on that great saint whose feast is celebrated today. After all, for nineteen centuries various people have made the stoutest but in the end futile attempts to destroy the Rock on which Christ founded His Church. Peter, however, stands there unshaken; for Peter can "take it."

UBI PETRUS IBI ECCLESIA.

Nanking, Aug. 1.

This English:

And the Precisians

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—An office colleague of mine recently had occasion to write a letter, one sentence therein saying "We are only able to submit certain documents pertaining to etc. etc."

I claim that "only able" is incorrect and should be "able only." Would you be good enough to tell me who is right? Thank you.

INTERESTED.

Shanghai, July 31.

"Able only" is preferable; but does it really matter? Fowler in his "Modern English Usage" on the subject of "Only, adv. its placing and misplacing," writes as follows:—

"*I read the other day of a man who 'only died a week ago' as if he could have done anything else more striking or final; what was meant by the writer was that he "died only a week ago."*" There speaks one of those friends from whom the English language may well pray to be saved, one of the modern precisians who have more zeal than discretion, and wish to restrain liberty in such, regardless of whether it is harmfully or harmlessly exercised. It is pointed out in several parts of this book that illogicalities and inaccuracies of expression tend to be eliminated as a language grows older and users attain to a more conscious mastery of their materials. But this tendency has its bad as well as good effects; the pedants who try to forward it when the illogicality is only apparent or the inaccuracy of no importance are turning English into an exact science or an automatic machine; if they are not quite botanizing on their mother's grave, they are at least clapping a strait waistcoat upon their mother's tongue, when wiser physicians would refuse to certify the patient.

So again we ask does it really matter? —ED.

And the Precisians

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—Without any humility I say that both versions are wrong. The word "only qualifies the words "certain documents," and not either of the verbs. Therefore the proper usage should be "We are able to submit only certain documents pertaining to etc. etc. I dislike the verbiage, but deal with it only for the purpose of this argument.

PEDANT.

Shanghai, Aug. 2.

A Pedant at Work

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—In your footnote reply to the letter of INTERESTED, in today's issue of your journal, you suggest, in connection with the sentence "We are only able to submit certain documents pertaining to.....", that "able only" is preferable to "only able." Moreover, you ask if it really matters.

May I be permitted to say that the position of the word "only," in this sentence, is most important if ambiguity of meaning is to be avoided. Both of the suggested combinations are wrong in this case. "We are able to submit only certain documents ..... is the correct solution if the writer intends to convey the meaning that I think he does.

Unless the word "only" is placed immediately before the word that it is intended to qualify there will be ambiguity in the intended sense of the sentence, as the following examples will show.

(a) Only we are able to submit certain documents.....Here it is implied that we alone are able to submit certain documents.

(b) We are only able to submit.... Here "only" is so placed as if it were meant to qualify "able;" hence the meaning might be that we are merely able to submit, but may not necessarily do so.

(c) We are able only to submit.... Here "only" appears to qualify the verb "to submit"; hence it would appear that we are unable to study, or comment; upon, but only to submit.....

(d) We are able to submit only certain documents.....

That is, we are able to submit nothing more than certain documents.

A. C. R. N.

Shanghai, Aug. 1.

***And again we ask what does it really matter, especially after Fowler, the greatest expert on the use of English has written what he has on the subject?—ED.

Elimination of Ambiguity

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—With reference to the letter signed INTERESTED I should like to express, for what it is worth, a contrary view to that quoted by you from Fowler's "Modern English Usage."

Language is a tool, by means of which we convey our thoughts one to another. With its help a man can express by means of sounds or glyphs the ideas occupying his mind, so that another may hear or read the words and understand to a certain extent what was intended to be conveyed. Until the science of telepathy has been perfected to the extent of providing a more reliable short cut between the minds of men, language will remain our only mode of communication and a very imperfect one at best. It should therefore be to every man's advantage to make the most of that instrument. Besides, language as well as everything else requires a certain degree of relative perfection to be beautiful, and beauty is well worth the effort to attain it.

The English language, as it stands at present, leaves many loop-holes for misunderstanding, even when it is used with care, and, as the object in having a language at all is to furnish a means to mutual understanding, the more that can be eliminated of ambiguity and misrepresentation the better.

Regarding the use of the word "only," which gave rise to this discussion, witness the following example:

Only the company is able partially to alleviate this difficulty.
The *only company* is able partially to alleviate this difficulty.
The *company only* is able partially to alleviate this difficulty.
The company is able *only partially* to alleviate this difficulty.
The company is able partially *only to alleviate* this difficulty.
The company is able partially to alleviate *only this* difficulty.
The company is able partially to alleviate this *only difficulty*.
The company is able partially to alleviate this difficulty only.

The variety of meanings here found can be enlarged by a judicious insertion of punctuation marks and/or the extension of the sentence in either direction.

With regard to the controversial sentence quoted by INTERESTED, should it not read: "We are able to submit *only certain* documents, etc."?

VERA.

Shanghai, Aug. 3.

Foreign Y.M.C.A.:

The Board's Protest

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—We beg to make strong protest against your unprofessional attitude in publishing, as a news item, and without authentification when authentification or otherwise was readily available, a damaging statement, which in its essentials was untrue.

(a) No protest has been submitted to the Board of Trustees.
(b) So far as we have been able to ascertain no protest has been signed by the body of members. The only statement is an anonymous slip which has been distributed promiscuously around the building, a copy of which is enclosed.

It should be unnecessary to add that any legitimate statement by members of the Association would receive immediate attention and consideration by the Board of Trustees.

J. C. MCCRACKEN.
President, Board of Trustees.

Shanghai, July 28.

***Dr. McCracken is entirely misinformed when he suggests that no inquiries were made prior to the publication of the protest concerning the increase in the rates charged at the Foreign Y.M.C.A. Enquiries were not made of the Y.M.C.A. authorities, for they have been found in the past singularly coy about discussing the affairs of their institution, apparently preferring to keep their actions in the delightful seclusion of the shy, retiring violet. That appears to deal with the allegation of "unprofessional conduct" on the part of the editor of this journal, a subject upon which Dr. McCracken with his eminent qualifications in an entirely different profession is doubtless an excellent judge. If Dr. McCracken would like to inform the public of what he considers to be the real facts in connection with the subject of the protest the columns of this journal remain open to him. But will he? —ED.

Motor Licences:

One for All Areas Wanted

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—A correspondent writing to one of your contemporaries brought up several points of great interest to motorists in general:

(1) Except for Hungjao, what "outside roads" and areas are open to motorists? (2) If these "outside roads" and areas are open to motorists, is it necessary to have a Chinese municipality licence? (3) In view of the cosmopolitan nature of our city and the necessity for developing closer co-operation between the authorities of the three municipalities for the mutual benefit of Chinese and foreigners alike, is it not possible to establish a uniform system of car licensing, so that licences issued by each individual municipality are valid in the other two municipalities?

It seems to me that the licensing system mentioned above would prove to be a great boon to motorists of the Settlement and French Concession, and if the S.M.C. and F.M.C. could reach some satisfactory arrangement with the Chinese Municipality, the Shanghai motorist's vista would immediately be enlarged and conditions generally between the foreign areas and the Chinese municipal district would certainly improve.

Of course, there is the question of apportionment of the licence revenue, but if this matter could be waived by the Chinese Municipality there should be no difficulty in starting a scheme such as that mentioned above.

DE DE.

Shanghai, July 29.

Stalin and the Finns:

Last Year's War Justified?

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—Reviewing the 1939 war between Soviet Russia and Finland in the light of the present developments it must be said now that Stalin's action of pushing somewhat back the Finnish frontier from the very gate of Leningrad, where it was at that time, appears to have been more than justified.

Yet at that time both the Democratic and the Axis powers alike sympathized with the Finns and strongly denounced the Soviet Government and consequently the Russians not only had to withstand the murderous fire from the Mannerheim Line but also had to endure an intense campaign of mud-slinging from all sides in addition.

At that time nobody would have listened to the arguments of the Soviet Government that Leningrad alone with its district has a greater population than the whole of Finland and consequently something had got to be done to safeguard it against possible attack from that side, and also to the argument that a formidable line of fortifications erected by the Finns so closely to Leningrad constituted too great a danger for Soviet Russia particularly in view of the fact that Finland itself is not strong enough to prevent any great power hostile to Russia making use of these fortifications in a war against Russia.

Now, after this little country of Finland has joined hands with Hitler in his predatory war against Soviet Russia, it became abundantly clear that the Soviet Government was quite right when it decided to try and persuade Finland to make certain adjustments in the state frontiers. It may also be recalled that it did try all peaceful means to attain this aim and it was only after Stalin's patience had been tried too severely by the obstinate Finns that he had to resort to war and consequently the famous Mannerheim Line was smashed by the Red Army. It must also be recalled that after the Finnish resistance had been completely broken Stalin was "generous" enough to offer them some territory in exchange for that small strip of marshes which he reluctantly cut off from poor Finland for the sake of the safety of his own great State. In recognition of the fact that little Finland had to suffer for no fault of her own he was also kind enough not to insist on the Sovietization of Finland and allowed the Finnish Government to carry on, although he knew it was definitely hostile to Soviet Russia. For this mercy on his part he is paying dearly at present, defending Leningrad against the Germans on the Finnish front!

As it happens that the Red Army is fighting now on the side of the "Democratic Powers and her victory would mean the end of Hitler while her failure would spell a disaster for the whole anti-Nazi world, the question arises now will the Finnish people really be better off if they win with the Nazis, and would it not have been better in the long run if the Soviet Government were not so generous at that time?

By the way, no credit for this act of mercy to his severely punished tiny adversary was given to comrade Stalin—on the contrary this was interpreted by the Democratic press as a sign of weakness on the part of Soviet Russia and the mud-slinging campaign against her continued unabated.

Credit, where credit is due.

V.F.G.

Shanghai, Aug. 1.

Out in Hungjao:

A Delightful Gesture

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—Last evening I dined with a friend in the Hungjao District. During the day my mind had been running on the general unrest in the world, and possibly because I was due to dine in a controlled area, on such disagreeable matters as cholera inoculation, passes, and such like.

In preparation for my excursion into the occupied area, I was duly inoculated, for the second time since April, and obtained a new pass. This on a hot day gave me—unjustifiably I admit—a feeling of resentment against my fellow-beings in general, and against all instigators of New Orders in particular.

As the evening wore on, I experienced some apprehension about the dawn of August 1, and the possibility of a searching examination at the barrier, which however I made certain of reaching before midnight. Actually I arrived at the Great Western Road barrier at 11.15 p.m. and stopped my car for examination.

Two members of the military post detached themselves from the group and approached my car, one of course being the sentry, carrying rifle with bayonet fixed. I was prepared for a curt examination and possibly a peremptory order to pass through.

What actually happened was that the sentry stood by with a cheerful grim on his face whilst his companion handed to my wife through the open window a bunch of zinnia and asparagus fern.

I do not suggest that this unexpected and pleasant gesture will of itself impede the prosecution of the immutable policy towards co-prosperity in this part of the world, but it has left me in a state of wonderment.

CARANURE.

Shanghai, Aug. 1.

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SPORTS AND PASTIMES

Lusitano Reds Maintain Lead

Aug. 3.

THOUGH receiving stern opposition from the formidable Hongkew Golf Club, the Clube Lusitano "Reds" strengthened their hold on the premier berth in the league standings of the first division of the Lawn Bowls League yesterday when they added another feather in their cap by disposing of the Hongkew Golfers 4-1. Keen competition was witnessed through the 21 ends and the narrow difference of nine woods is an excellent indication of the close tussle.

Meanwhile, in another first division engagement, the Police Recreation Club, the cellarites in the league ratings, almost scored a major upset when they met the Shanghai Junior Golf Club. But, unfortunately for them, as luck would have it, their effort fell short by one wood; the total shots aggregating to 62-61 in favour of the Junior Golfers.

At the grounds of the Yangtszepoo Bowling Club, the Shanghai Recreation Club displayed a glimpse of their true colours by accounting for their hosts by 3½ points to 1½. The Recs owe their triumph chiefly to G. B. Stormes' rink who whipped such a strong four as W.R. Chisolm's by 29 shots to 7.

The fourth tussle of the senior loop was held at the Race Course on the greens of the Shanghai Lawn Bowls Club. The S.L.B.C. "Blues" found the Clube Lusitano "Greens" an easy lot with the exception of one rink, captained by H. J. Encarnacao, which saved the Portuguese from a shut-out defeat.

Lusitano "Reds" Win Again

Continuing in their winning vein, the Clube Lusitano "Reds" added another scalp to their list when they scored another decisive 4-1 victory over the Hongkew Golf Club yesterday. They did not encounter as easy a time as many expected as they only managed to triumph by the narrow margin of nine shots.

A. M. Souza captained his rink to victory over C. M. Sequeira with only five woods to spare. The most decisive win, however, was scored by E. A. Souza's four who subdued the opposing quartelle by 13 shots.

CLUBE LUSITANO "REDS" 4; H.G.C. 1

Clube Lusitano		Hongkew	
A. M. Souza (skip)	22	C. M. Sequeira (skip)	17
S. del Rivero		M. P. de Campos	
F. Machado		E. C. J. Pereira	
F. M. F. Gutierrez		J. A. da Rocha	
E. A. Souza (skip)	26	A. G. Costa (skip)	13
J. P. de Campos		F. C. Ozorio	
O. H. Edgren		A. R. Portaria	
A. A. Leitao		C. G. da Silva	
H. A. Ozorio (skip)	12	A. M. Gutierrez (skip)	21
C. L. Passos		J. M. M. Britto	
B. F. Marques		L. A. M. Ozorio	
J. M. Gutterres		A. H. Corveth	
	60		51

Police Almost Upset Golfers

S.J.G.C. 4 P.R.C. 1

S.J.G.C.		Police	
A. Denton (skip)	13	M. L. Crowther (skip)	23
W. Watson		W. Hutton	
H. Cranfield		G. H. Craik	
C. Fletcher		J. J. Gavan	
K. Swartzell (skip)	20	J. M. Sanbrook (skip)	19
H. Hill		R. C. Martin	
O. Schmied		C. McCahey	
R. Miles		I. B. Williams	
T. Thomson (skip)	23	R. J. Wimsett (skip)	19
J. Aquino		J. Ball	
P. Shaw		D. Crawford	
M. Benton		S. Nancarrow	
	62		61

Recs Beat Yangtszepoo

Y.B.C. 1½; S.R.C. 3½

Y.B.C.		S.R.C.	
A. Cheetham (skip)	19	G. V. Jensen (skip)	19
D. MacCallum		W. T. Manley	
L. M. Greenhaigh		A. J. Aldeguer	
W. G. Francis		A. L. Roberts	
A. Marshall (skip)	21	F. O. Madar (skip)	17
A. B. Hogg		J. N. Manley	
R. Matheson		J. M. C. Lopes	
A. McLean		T. J. Almeida	
W. R. Chisolm (skip)	7	G. B. Stormes (skip)	29
S. S. Wilkinson		C. Thompson	
H. McMahon		R. E. Manley	
W. C. Grant		B. A. Shirazee	
	47		65

S.L.B.C. "BLUES" 6; CLUBE LUSITANO 1

S.L.B.C.		Clube Lusitano	
J. E. Harvey (skip)	30	J. Sepe (skip)	9
T. J. Goodman		L. F. Lopes	
A. T. Barrett		L. M. d'Almeida	
F. McLennan		M. R. Pereira	
C. Richards (skip)	16	H. J. Encarnacao (skip)	20
F. S. Ward		A. J. da Roza	
A. Braid		J. E. Medina	
E. E. Wallwork		A. C. Sequeira	
E. R. Harmer (skip)	29	D. M. P. Gutterres (skip)	7
J. Munro		E.A.S.C. de Sousa	
H. S. Bell		F. M. Gonsalves	
J. P. Stalker		J. A. Rivero	
	75		36

Second Division

S.R.C. 1½; Y.B.C. 4½

S.R.C.		Y.B.C.	
G. Madar (skip)	18	A. Sharp (skip)	18
N. C. Beeman		C. M. Keenan	
J. A. Tibble		H. Jackson	
J. R. McDonald		M. McVicar	
T. Veitch (skip)	17	L. Beattie (skip)	21
W. Moore		J. S. Mudford	
F. M. R. Remedios		W. Simpson	
E. Gifford		R. M. Jordan	
A. E. Collins (skip)	14	J. O. Drysdale (skip)	24
V. L. Xavier		F. C. McPherson	
T. C. Avery		J. Findlater	
H. R. Hotchkiss		J. Kearns	
	47		63

B.B.C. 3 COUNTRY CLUB 2

Barbarians		Country Club	
L. Bell (skip)	28	W. G. Crokam (skip)	12
J. Bowie		J. B. Gilroy	
J. G. Crighton		H. C. B. Way	
J. W. Coleman		E. S. Booth	
G. J. B. Pryde (skip)	17	H. C. Hopkins (skip)	20
W. Bow		J. T. W. Brooke	
V. Mason		P. D. G. Gain	
D. Phillips		P. W. Massey	
H. Finnigan (skip)	15	I. A. Beith (skip)	26
C. M. Maher		E. F. Bateman	
N. Bell		A. H. Aiers	
W. Pike		J. Davidson	
	60		58

H.G.C. 5; CLUBE LUSITANO 0

Hongkew G.C.		Clube Lusitano	
C. A. Silva (skip)	32	A. A. Rodriquez (skip)	10
Alberto Costa		M. Sequeira	
G. Jorge		A. Baptista	
F. J. Skinner		F. Maher	
J. M. O. Sequeira (skip)	32	A. M. Sequeira (skip)	12
A. F. Diniz		C. Danenberg	
F. Medina		H. Costa	
O. R. Holmes		A. M. Collaco	
C. A. Pereira (skip)	29	H. A. Silva (skip)	10
A. M. Gonsalves		M. Ferreira	
A. M. Correa		D. M. Gutterres	
A. M. Jesus		L. M. Gonsalves	
	93		32

Hungjao Golf Club Hong Results

July 30.

Hong Foursomes

ANNUAL CHALLENGE CUP PRESENTED BY "L.B. AND M."

1st Round

Beith & Reynell beat Customs 3 & 2
G. E. Marden & Co. beat Hongkong Bank "B" ..... 8 & 6
Mackinnon, Mackenzie beat Mercantile Bank ..... 3 & 2
Lowe, Bingham & Matthews beat A.P.C. "B"

2nd Round

Andrews & Maitland beat Waterworks "A" ..... 1 up
Y.T.T. beat Gas Co. ..... 2 & 1
Sassoon's beat A.P.C. "C"
Beith & Reynell beat G. E. Marden & Co. ..... 1 up
Lowe, Bingham & Matthews beat Mackinnon, Mackenzie ..... 2 up
Ewo beat A.F.C. "A" ..... 6 & 5
Hongkong Bank "A" beat Chartered Bank
Taikoo beat Waterworks "B"

3rd Round

Andrews & Maitland beat Y.T.T. 2 up
Beith & Reynell beat Sassoon's 3 & 2
Ewo beat Lowe, Bingham & Matthews ..... 5 & 3
Hongkong Bank "A" beat Taikoo

Semi-final

Andrews & Maitland beat Beith & Reynell ..... 1 up
Ewo beat Hongkong Bank "A" 1 up

Final

Andrews & Maitland beat Ewo 7 & 6

July Through the Month

18 HOLES POINTS AGAINST PAR

	H'cap	Score
C. Maclean	14	43
H. F. B. Gardener	9	36
W. C. Bond	13	36
R. V. Thomas	15	38
T. S. Powell	15	35
G. H. Stacey	24	34
W. Beveridge	14	33
J. K. P. Hadland	8	33
W. J. Hawkings	6	32
H. R. Cleland	10	32
H. W. Carter	24	30

76 Entries

18 HOLES MEDAL (I.E. STROKE) PLAY

T. S. M. Terrace	5	71
D. R. Glass	6	72
W. J. Hawkings	6	75
W. Weaveridge	14	74
A. V. Pettitt	9	82

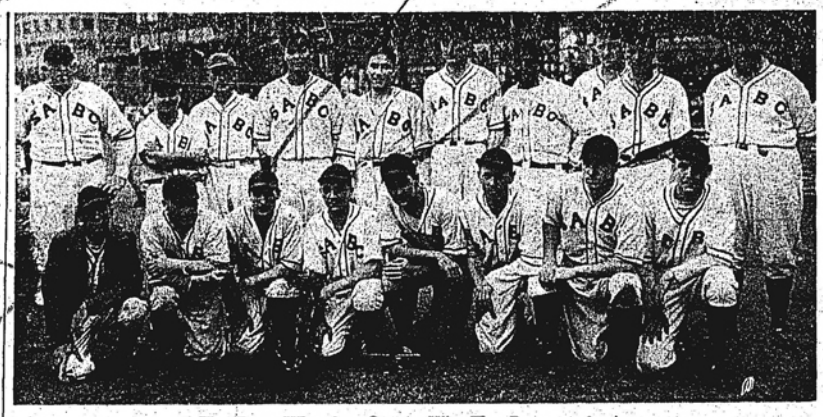
52 Entries

Tex Dubois Likely to Be Champion Sculler

St. Catherine, Ontario, July 28.

The Royal Canadian Henley Regatta today revealed Tex Dubois of Winnipeg as a likely successor to Joe Burk as the world's last best sculler. Dubois won the single sculls, beating Joe Angyal of Brooklyn, U.S.A., after a stern race over 1 mile 550 yards in 8 min. 10 sec.

Dubois beat Angyal in the recent American Championship, and last year was second to Burk for both the American and Canadian titles. The Buffalo Westsides had more successes in the last day of the regatta and won team honours for the second successive year.—Reuter.



The Boys Who Are Out to Win The Pennant Again

Despite the rainy weather which has caused many baseball games to be postponed during the past several weeks, the Shanghai Amateurs are out to complete their schedule without losing a single game—their record is clear so far.

Ace Amateur Pitcher

Joe Honeycutt, ace hurler of the Shanghai Amateurs, continued his fine pitching against the First Battalion at the Race Course on July 30 by holding them to five scattered hits and fanning 15 of his opponents.

Arsenal Triumphs Charity Football

Edinburgh, Aug. 3.

In an attractive charity football match here yesterday Arsenal beat Hearts by a goal scored in the second half by Kirchen.

The charity game yesterday attracted a crowd of 20,000, who watched Hearts have a better first half, with the Arsenal defence often worried. Marks in the Arsenal goal gave a magnificent display and saved a penalty late in the first half.

Hearts continued to dominate afterwards, but the Arsenal defence was solid, and after half an hour in the second half Crayston beat the Hearts goalkeeper, but Miller kicked the ball off the goal line. Ten minutes from the end, however, following a positional change in the Arsenal attacking line, Kirchen scored.—Reuter.

Substitute Meeting

Newmarket, July 31.

Except for the titles of races there were few signs that a substitute "Glorious Goodwood" race meeting was being held yesterday.

There were fewer people than at any previous Newmarket meeting this season.

The main event was the Stewards Handicap, which substituted for the Stewards Cup which Herman Jennings, on an outsider, Valthema, won at 100 to 8.

Valthema beat another outsider, Lady Henderson's Love's Revelry, by a head, in a thrilling six furlongs race with the 100 to 30 favourite, Zaitor, owned by Mr. T. Miles, half a length behind, third.—Reuter.

Shanghai Baseball

Amateurs Swamp First Battalion

July 31.

The powerful Shanghai Amateur baseball aggregation continued their march to their second straight pennant in the Shanghai City Baseball League yesterday at the Race Course diamond by trouncing the weak First Battalion nine by the one-sided score of 14-4 in a game that was rather slow but the heavy hitting of the local civilians made up for the slowness of the encounter.

The box scores follow:

Amateurs

	AB.	R.	H.	PO.	A.	E.
DeBacker, lf.	6	2	3	0	0	0
J. Ward, 2b.	6	1	2	0	1	0
Krause, 3b.	6	1	2	2	0	0
Schaberg, ss. rf.	5	0	0	1	1	1
Fielden, 1b.	5	1	1	3	0	1
Kabbert, cf.	5	3	2	2	0	0
Blesel, rf.	3	3	3	0	1	0
Lamneck, ss.	2	0	0	3	0	0
Allen, c.	5	2	2	16	1	0
Honeycutt, p.	5	1	2	0	2	1
	48	14	17	27	6	3

First Battalion

A. Robinson, ss.	3	1	1	1	3	2
*Jenkins	1	0	0	0	0	0
Mudry, 3b.	3	0	1	2	1	1
Klusendorf, 2b.	4	0	1	2	1	1
Fenick, c.	4	1	1	3	1	1
Horvath, cf.	4	0	0	5	0	1
McMillian, 1b.	3	1	0	9	0	0
E. Robinson, rf.	3	1	1	0	0	1
Kerb, rf.	1	0	0	2	0	0
Long, lf.	2	0	0	1	0	0
Davis, lf.	1	0	0	2	0	0
Simmers, p.	1	0	0	0	2	0
Laffoon, p.	3	0	0	0	0	2
	32	4	5	27	8	8

*—Batted for A. Robinson in ninth.

Score by innings:—

Amateurs	120	240	014—14
1st Batt.	000	310	000— 4

Second Battalion Trounces

Aug. 3.

After a rainy spell that washed out the local City Baseball League encounters for the past two weekends, the Second Battalion yesterday crossed bats with the First Battalion in a game that was well attended, as many of the local baseball enthusiasts were on hand to see the contest. The Second Battalion, under the leadership of "Bozo" Duncan, had little difficulty in trimming their opponents, emerging victors by the one-sided score of 8-1.

1st Battalion

	AB.	R.	H.	PO.	A.	F.
Robinson, ss.	5	0	0	2	1	1
Mudry, 3b.	4	0	1	0	1	0
Klusendorf, lf.	4	0	1	0	1	0
Fenick, c.	4	0	2	8	1	2
Heard, rf.	3	1	0	2	0	0
Horvath, c.f.	4	0	2	1	0	0
Davis, 2b.	1	0	0	2	1	1
McMillian, 1b.	4	0	1	8	0	0
Laffoon, p.	3	0	1	0	1	1
†Fantone	0	0	0	0	0	0
	32	1	8	24	7	5

2nd Battalion

Merles, c.	4	2	2	7	0	0
Taylor, cf.	4	2	3	1	0	0
*Biela	1	0	0	0	0	0
Fitch, cf.	0	0	0	0	0	0
Mann, ss.	2	2	1	3	4	0
Zagar, lf.	3	1	0	1	0	0
Waddell, 1b.	4	0	1	13	0	0
Brannon, 3b.	4	0	0	1	5	0
Pack, rf., 2b.	4	1	1	1	1	0
Rundle, 2b.	3	0	1	0	1	0
Albert, rf.	1	0	0	0	0	0
Hill, p.	4	0	0	0	6	0
	34	8	9	27	17	0

†Batted for Laffoon in ninth inning.
*Batted for Taylor in eighth inning.

Score by innings:—

1st Battalion	0 0 0 0 0 0 0 0 1—1
2nd Battalion	2 0 4 1 0 0 0 0—8

Amateurs Beat H.Q. Orphans

Aug. 4.

The Shanghai Amateurs yesterday continued their march to their second straight pennant when they defeated the Headquarters Orphans at the Race Course yesterday afternoon by the score of 4-2. The game was closely contested throughout and the Amateurs only managed to win the game in the eighth inning when they bunched three hits and score two runs to break the deadlock.

The box score follows:

Headquarters

	AB.	R.	H.	PO.	A.	E.
Middleton, 2b.	3	0	0	1	3	0
McKinzie, 3b.	5	0	0	0	4	2
Terrell, cf.	4	0	1	1	0	0
Silk, rf., lf.	4	0	2	1	0	0
Shaull, 1b.	3	1	1	16	0	0
Miller, ss.	2	1	1	1	5	0
Hicks, lf.	3	0	0	0	0	0
*Ruge	1	0	1	0	0	0
Prickett, rf.	0	0	0	0	0	0
Provencher, c.	3	0	0	3	0	0
Swanson, p.	1	0	0	1	1	0
†Schilling	1	0	0	0	0	0
	30	2	6	24*15	2	

Amateurs

De Becker, lf.	4	0	0	0	0	0
W. Ward, cf. 1b.	3	0	0	2	1	0
J. Ward, 2b.	4	0	1	2	2	0
Lamneck, ss.	4	1	1	0	2	0
Fielden, 1b.	3	2	1	9	0	2
Schaberg, cf.	0	0	0	1	0	0
Blesel, rf.	3	0	0	1	0	0
Krause, 3b.	4	0	3	4	4	0
Allen, c.	2	0	0	3	0	0
Kabbert, c.	2	0	0	4	0	1
Huebner, p.	1	1	0	0	3	0
Honeycutt, p.	2	0	0	1	0	0
	32	4	6	27	12	3

*—Batted for Hicks in the eighth inning.
†—Batted for Swanson in the ninth inning.
Amateurs did not bat in the ninth inning.

Score by innings:—

Headquarters	01000001 0—2
Amateurs	00100102x—4

"N.C.D.N." Photo.

Pinch Hitter

Schilling, who pinch hit for Swanson in the ninth inning of the game between the H.Q. Orphans and the Amateurs at the Race Course on Aug. 3. After one of the best games of the season the Gallopers came through with two runs in the eighth inning to put the game on ice.

Famous English Jockey Dies

London, July 30.

Bernard Carslake, one of the leading English jockeys for 40 years, died at his home near Salisbury yesterday at the age of 55.

Carslake, who was born in Australia, was the last link with the great days of Edwardian jockeys. On the outbreak of war in 1914, Carslake, who was twice champion jockey in Austria-Hungary, escaped from Austria disguised as the fireman of a railway engine and reached Rumania, where he rode a number of winners in 1915.—Reuter.

Shanghai Golf Club

Following are the results of the August Monthly Cup competitions:—

"A" CLASS

J. S. Macdonald	73—	3	74
A. J. Clark	83—	9	74
H. H. Cameron	85—10		75
R. D. Bell	85—	7	78

"B" CLASS

Bruce S. Jenkins	95—18		77
D. C. Berger	97—17		80

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Shanghai Cricket

Stragglers Beat Police

Aug. 3.

An attractive and undefeated century and some more than useful bowling by Dean paved the way for the Stragglers to gain an easy five wickets victory over the Police in a league encounter on the S.C.C. Ground yesterday afternoon. Dean's 102, at which point he retired through sheer physical exhaustion, was by far the most outstanding effort of the afternoon for, after the Stragglers had began their knock extremely poorly—two good wickets were lost for a mere seven runs—he proceeded, after a shaky start, to extricate the hosts from a decided mess.

Through Dean's splendid innings the Stragglers still remain at the head of the league table bracketed with the Wanderers who gained three more points against the Colts. More than ever now the race for the title is a fight between the two S.C.C. elevens, the Stragglers and Wanderers.

Police C. C.

F. A. Pitts, c. Orr, b. Dean	73
B. B. Boddy, b. Jenkins	10
S. V. Gash, b. Dean	13
D. L. Blix, run out	0
E. Peasgood, b. Pearson	7
F. C. Woodley, c. Brown, b. Pearson	9
E. C. Baker, c. Pearson, b. Jenkins	24
A. C. Barton, b. Dean	8
W. H. Baldock, b. Dean	4
D. Novgorodoff, not out	12
W. H. Richardson, c. Brown, b. Orr	0
Extras	1
Total	161

Bowling Analysis

	O.	M.	R.	W.
Orr	27	0	16	1
Jenkins	8	2	38	2
Chadwick	2	0	13	0
Fletcher	3	0	15	0
Dean	6	0	48	4
Pearson	6	0	30	2

S.C.C. Stragglers

J. W. Pote-Hunt, b. Boddy	4
P. V. Simpson, b. Boddy	1
A. V. T. Dean, retired	102
E. J. Sluis, run out	13
J. B. Brown, not out	21
A. C. Sinclair, c. & b. Boddy	2
J. C. Jenkins, not out	12
H. E. Orr, did not bat	—
T. C. G. Pearson, did not bat	—
J. Fletcher, did not bat	—
W. V. K. Chadwick, did not bat	—
Extras	7
Total (for 5 wkts.)	162

Bowling Analysis

	O.	M.	R.	W.
Woodley	12	3	39	0
Boddy	10	0	57	3
Peasgood	2	0	16	0
Baldock	2	0	16	0
Baker	4	0	27	0

Boddy bowled two no-balls.
Baker bowled two wides.

Wanderers Win

Aug. 3.

The Wanderers maintained their unbeaten league record yesterday afternoon on the Recs' ground when they gave the lowly placed Colts a thorough hiding to the tune of winning by 147 runs. The visitors batted first and whacked up 212 for the loss of nine wickets at which point they declared. After tea spectators were treated to the—an adjective of the proper dimension escapes us—spectacle of watching the Colts score exactly 65 runs between 5.09 p.m. and 7.11 p.m. or 122 minutes at the crease. Right from the start of the Colts' innings the hosts were in a mess, wickets going down like ninepins. Pat Madar came in at the fall of the fifth wicket and stayed at the crease for ninety ninety minutes for an undefeated 36. He alone of the losers reached double figures and while perhaps he felt justified in shielding his other batsmen in order to play for a draw, a more dreary, lethargic, somnolent—ah! words fail us—type of innings has not been seen in this part of the world for a long time.

S.C.C. Wanderers

L. Underwood, run out	14
A. Graham, st. Leriou, b. Madar	6
F. Marshall, c. Gomes, b. Madar	7
L. F. Stokes, c. Barma, b. Symons	45
E. R. Duckitt, b. Harris	37
D. W. Leach, c. Barma, b. Harris	62
Dr. H. H. Morris, c. Madar, b. Barma	19
G. B. Elliot, b. Buckley	2
G. C. Large, b. Buckley	1
R. C. Corfield, not out	1
R. U. Reynolds, did not bat	—
Extras	3
Total (for 9 wkts.)	212

Bowling Analysis

	O.	M.	R.	W.
Symons	9	1	48	1
Buckley	13	0	37	2
Madar P.	11	0	53	2
Barma	9	1	35	1
Harris	4.3	0	36	2

Harris bowled one wide.

Recs Colts

A. F. Gomes, b. Elliot	8
W. Quincey, c. Underwood, b. Ellio	8
J. H. Anderson, b. Elliot	0
J. Leriou, b. Leach	0
F. F. Harris, b. Elliot	1
C. J. Smith, b. Elliot	4
P. Madar, not out	36
E. Grundt, c. Reynolds, b. Elliot	2
A. Symons, b. Leach	0
Y. T. Barma, c. Duckitt, b. Elliot	4
T. Buckle[illegible] .w. b. Elliot	0
Extras	2
Total	65

Bowling Analysis

	O.	M.	R.	W.
Symons, 9-65 Barma, 10-65 Buckley.				
Elliot G. B.	14.6	4	18	8
Leach	11	4	23	2
Stokes	3	2	4	0
Grahagn	4	2	6	0
Morris	2	0	12	0

Tyros Score Sasy Win Over Parsees

Aug. 3.

The luckless Parsees went down to yet another league defeat yesterday afternoon on the Police Ground, their victors this time being the Recs' Tyros who won quite easily by 75 runs after they had scored 168 when batting first.

Recs' Tyros

N. Hart-Baker, c. Karanjia, b. Divecha	25
A. A. Kiene, c. Karanjia, b. Charna	0
H. P. Madar, c. Divecha, b. Shroff	59
F. R. Kermani, c. Karanjia, b. Tata	0
M. Mohiddeen, l.b.w. b. Shroff	11
L. Marcal, c. Divecha, b. Tata	33
E. B. Brodd, st. A. Tata, b. Shoff	0
E. J. Kidby, Charna	0
H. Meston, c. S. Shroff, b. Tata	31
E. Caro, run out	0
T. Katemopoulos, not out	5
Extras	4
Total	168

Parsee C. C.

N. N. Mehta, l.b.w. b. Kermani	8
J. B. Tata, c. Kermani, b. Hart-Baker	3
S. P. Karanjia, st. Caro, b. Hart-Baker	41
M. J. Divecha, c. Mohideen, b. Hart-Baker	11
A. B. Tata, b. Kermani	14
S. F. Shroff, b. Meston	3
D. K. Mistry, st. Caro, b. Hart-Baker	2
B. R. Viccajee, b. Kermani	1
J. S. Kuka, c. & b. Hart-Baker	0
P. M. Charna, c. Mohideen, b. Meston	4
K. F. Shroff, not out	2
Extras	4
Total	93

Successful Gala

Aug. 1.

A highly successful swimming gala was held at the Rowing Club on Wednesday night, when a fair sized crowd watched several of the veterans enjoying the fun and displaying quite a useful turn of speed despite the handicap of Anno Domini. Two outstanding examples of the Old Guard were Archie Sinclair and Chas. Brown, both of whom gave a fine account of themselves in the heats of the one length Free Style Handicap.

The ladies were also to the fore, competing in a variety of events ranging from one length Free Style Handicap and the Breast Stroke Handicap to the Tub Race and a Musical Life Buoy event. The men indulged in a six-a-side Life Buoy Melee, which was followed by a three team Relay Race, in which all the swimmers participated. The winners were skippered by Komor and snatched victory by a short margin after a thrilling struggle.

The evening's entertainment concluded with a waterpolo game between the Veterans and the younger members of the Club, and here again the Elders demonstrated their prowess by walloping the youngsters by the healthy margin of 5-3.

Contrary to the announcement made at the end of the proceedings to the effect that the next gala would be held on August 13, the acting Captain of the Club feels that in view of the fine support forthcoming from the many members interested in swimming, and also in order to comply with the request of the younger members for a return match with their elders and betters, a miniature gala will be held next Wednesday, August 6, commencing at 9.15 p.m.

Stars Beaten

Easthampton, N.Y., July 30.

The British Wightman Cup Girls, Valerie Scott and Nina Brown, lost the opening round of the Women's Invitation Tennis Tournament yesterday. Shirley Fatton of California defeated Miss Scott 6-0, 6-2, while Hope Knowles of Philadelphia won 6-1 6-2 against Miss Brown.—Reuter.

American Football

New York, Aug. 3.

American League

	W.	L.	Pct.
New York	69	32	.683
Cleveland	57	43	.570
Boston	50	48	.510
Philadelphia	48	51	.485
Chicago	49	52	.485
Detroit	40	55	.466
St. Louis	40	59	.404
Washington	38	59	.392

National League

St. Louis	65	35	.650
Brooklyn	63	36	.636
Pittsburgh	53	43	.552
Cincinnati	53	45	.541
New York	46	46	.500
Chicago	44	55	.444
Boston	41	57	.418
Philadelphia	26	72	.265

—United Press.

Lawn Bowls Standings

Aug. 2.

First Division

	P.	W.	L.	P.	Pts.	Pct.
C.L. "Reds"	4	4	0	20	18	.900
H.G.C.	5	3	2	25	16	.640
Y.B.C.	4	3	1	20	12	.600
S.R.C.	4	2	2	20	11	.550
S.L.B.C. "Blues"	5	3	2	25	13	.520
S.L.B.C. "Reds"	5	3	2	25	13	.520
J.G.C.	4	1	3	20	8	.400
C.L. "Greens"	4	1	3	20	6	.300
Police	5	0	5	25	3	.120

Second Division

	P.	W.	L.	P.	Pts.	Pct.
S.L.B.C.	4	4	0	20	18	.900
H.G.C.	4	3	1	20	15	.750
Y.B.C.	3	1	2	15	7	.467
Country Club	4	2	2	20	9	.450
J.G.C.	3	1	2	15	5½	.367
B.B.C.	3	1	2	15	5	.333
Club Lusitano	3	1	2	15	4½	.300
S.R.C.	4	1	3	20	6	.300

Army Crushes Air Force

London, Aug. 4.

The Army-Air Force match at Harrogate was the outstanding cricket fixture during the week-end. Each side had a victory earlier this season and the army won this time by eight wickets, passing the airmen's total of 144 for the loss of two wickets.

Major Sutcliffe, 36, and Sergeant Hutton, 58, made a good first wicket stand for the army. Later, Peter Smith took five wickets for 22, being mainly responsible for the airmen's dismissal. He took the last four for only 14 runs.

Len Hutton

.....together with Herbert Sutcliffe, he broke the back of the Air Force bowling.

At Taunton, Somerset beat Gloucestershire in an inter-services match by 184 runs, declaring at 201 runs for nine and then dismissing their rivals for 77. R.J.O. Meyer, took three wickets for ten after being top scorer with 76, which he hit in 45 minutes.

The airmen at Hove gained an exciting eight-run victory, dismissing Sussex, captained by Maurice Tate, for 215, after Pilot-Officer Arthur Gilligan had declared the air force innings at 223 for nine.

The airmen were indebted to Sergeant Oakes for 101 not out. Later he took four wickets for 31 after the County's first wicket put on over 100 runs.

Another air force XI drew with Nottinghamshire at Trent Bridge, scoring 190 for eight after the County had declared with 289 for nine. Sergeant Hardstaff hit 119 for the air force.—Reuter.

Cochrane Wins Welter Crown

Newark, N.J., July 30.

Freddie Cochrane last night won the world's welterweight championship from Fritzie Zivic on decision.

Although the fifteen-round bout was extremely close, the referee awarded the decision to Cochrane, resulting in tumultuous applause by 10,000 spectators.—United Press.

Australia Routs China at Soccer

Sydney, Aug. 3.

No less than 12 goals were scored when Australia beat China at Brisbane yesterday in the fifth and final soccer test, triumphing by eight goals to four.

This victory gives Australia the series by three matches to two. China's wins were in the first and third games.

The China team for the series comprised the Hongkong Chinese teams, Eastern and Sing Tao, many of whose players are well known in Shanghai. Eastern and Sing Tao finished second and third respectively to South China in the Hongkong football league.

Because of the Far Eastern tension, the Chinese soccer team is leaving for Hongkong after playing the last test match.—Reuter.

SHANGHAI LAW REPORTS

H.M. Supreme Court

Divorce Case

MRS. G. M. L. TURNER *v.* J. H. L. TURNER

COUNSEL: Mr. E. L. Hartopp for petitioner.

Before Judge P. Grant Jones

(Decree nisi made absolute)

July 29.

A decree nisi granted by H. M. Supreme Court on January 24, to Mrs. G. M. L. Turner in her action for a dissolution of her marriage to Mr. J. H. L. Turner was made absolute by Judge P. Grant Jones yesterday on the application of her counsel, Mr. E. L. Hartopp.

Claim on Stopped Cheque

P. S. GOLOVATSKY *v.* J. L. CROMPTON

COUNSEL: Mr. C. E. Sherwin for plaintiff and Mr. K. E. Newman for defendant.

Before Judge Sir Allan G. Mossop

(Adjourned)

July 30.

Claiming the sum of $15,025 in respect of a cheque which had been given him and subsequently stopped at the bank, Mr. Paul S. Golovatsky filed a suit against Mr. John Leslie Crompton in H.M. Supreme Court yesterday before Judge Sir Allan G. Mossop. Presenting the case for the plaintiff, Mr. C. E. Sherwin declared that the cheque had been delivered to Mr. Golovatsky on February 7, 1940. This cheque was dated February 15, and when presented at the bank two days later, payment was refused as the bank had received instructions not to honour the cheque.

The hearing was adjourned until August 19 in order to permit the defendant, who is now at Tsingtao, to appear in court. In applying for a postponement, Mr. K. E. Newman, counsel for the defence, told the court that his client was ill and had gone to Tsingtao.

In outlining the defence, Mr. Newman said that Mr. Crompton was not liable to pay out on the default of his clerk who had made out the cheque while the defendant was in hospital. It was the contention of the defence that it was not Mr. Crompton's liability as he had not given permission for the cheque to be issued. It was revealed in court that the cheque was made out with regard to a stock exchange transaction.

Mr. Sherwin informed the court that his client was against any further postponement of the case as every possible consideration had been given the defendant already; the plaintiff and his witnesses had turned up once before in court.

After he had heard both counsel, Judge Mossop said that in order to be fair to both parties he would have to adjourn the case for three weeks, until August 19, at 10 a.m. If the defendant is still ill on that date and unable to attend court in person, he will be required to deposit the full sum of the suit, failing which, judgment will be given against him. The costs for yesterday's hearing was to be borne by the defendant.

H.M. Police Court

Alleged Theft

HARDIT SINGH *v.* MAL SINGH AND JAGIAR SINGH

COUNSEL: Mr. E. L. Hartopp for plaintiff and Mr. E. T. Maitland for defendants.

Before Mr. C. H. Haines, H.M. Registrar

(Adjourned)

Aug. 1.

The case against Mal Singh and Jagiar Singh, charged with larceny of a bicycle, a suitcase, a pair of boots and a raincoat belonging to *Hardit Singh*, an Indian watchman, was again adjourned until 10 a.m. on Wednesday next by the Registrar, Mr. C. H. Haines, in H. M. Police Court yesterday after three witnesses had been called, including the two accused. Mr. E. L. Hartopp appeared for complainant and Mr. E. T. Maitland for the accused.

Jagiar Singh denied being concerned in any theft and declared that he had several quarrels with the complainant. He declared that there was no truth in the suggestion that he had been seen carrying a suitcase. A denial of the charge also was made by Mal Singh during questioning by counsel.

Traffic Case

S.M.P. *v.* MESSRS. JAS. E. NIXON & CO.

Before Mr. C. H. Haines, H.M. Registrar

(Fined)

July 30.

Messrs. Jas. E. Nixon and Company, 149 Szechuen Road, were found guilty in H.M. Police Court yesterday of two infringements of the S.M.C. private motor truck licence conditions and the Registrar, Mr. C. H. Haines, accordingly find them 2s. 6d. on each charge.

The infringements were discovered on July 9 on Bubbling Well Road, near Moulmein Road, when a truck belonging to Messrs. Jas. E. Nixon and Company was found to have been carrying a defaced licence plate and to have been without the necessary red discs painted on its headlights, each of which were offences according to the truck licence conditions.

Inquest on Sundar Singh

Before Mr. C. H. Haines, H.M. Coroner

(Adjourned)

July 30.

An inquest over the body of Sundar Singh was opened in the Shanghai General Hospital yesterday morning by Mr. C. H. Haines, H. M. Coroner. The wife of the deceased, Chand Kaur, identified the body of her husband and admitted that the last time she had seen him alive was about six days ago.

It is believed that the deceased was murdered by a gang of looters who broke into a Japanese coal godown about a week ago; the Sikh was said to have been employed as a watchman of the premises. The inquest was adjourned until 2.15 p.m., August 5.

First Special Court

Light Sentences

July 31.

The two Chinese school boys, Wang Shih-wei and Soong Sung-deh, who have been facing a robbery charge in the First Special District Court were leniently dealt with by Judge Shih yesterday, each drawing only one year and six months. The lads, who declared at a recent hearing that, misled by detective novels, they had committed a crime in order to obtain money for poor children, are each aged 17 and belong to well-to-do families.

Before going to prison, they were ordered by the judge to receive a special kind of education in this S.M.C. reformatory where they will have to stay for five months. If they prove to be good there they may be excused from going to prison. Many volumes of detective novels were found in their homes.

The boys were convicted of having broken into the home of Mrs. Huang Chang-ying at 34 Hwakee Avenue, Bubbling Well Road, on July 12 at 9.30 a.m. and stolen cash, pass books and other personal belongings totalling about $17,000. Wearing black spectacles and gloves in order to avoid identification they committed the crime in a most expert manner and remained in the house for fully two hours listening to radio music after binding their victims with ropes. They were later caught when one of them tried to cash money in a bank with one of the stolen pass books.

Quack Sentenced

Aug. 1.

Lo Shi-pai, an aged native of Honan who recently failed to cure a sick woman of her illness simply by giving some ashes of incense sticks to her saying that he could obtain a complete cure by the help of Buddha, was sentenced to one year and eight months' imprisonment yesterday in the First Special District Court charged with fraud. The registrar of his "office" at 23 Den Hsien Li, Burkill Road, drew three months. Lo is an old offender having previously been sentenced on a similar charge.

Unlicensed Boarding Houses

Aug. 3.

Thirty Russians and refugees from Central Europe were each fined $10 in the First Special District Court yesterday for operating boarding houses without obtaining S.M.C. permits beforehand. Most of their houses are located in the Wayside district. Some of them contended that they did not know that regulations governing the granting of such permits existed. They were told by the judge to obtain permits as soon as possible. They were charged only after the police had repeatedly warned them.

Attempted Murder

Aug. 5.

On the suspicion that he had tried to mix a mercury compound in a dish presented to his common law mother-in-law so as to murder her, Wang Ling-pao, 10-year-old assistant of the San Yang Grocery Shop at 630 Nanking Road, faced the First Special District Court yesterday and was remanded in custody for one week pending investigations. He was charged with attempted murder by the prosecution, but the judge reserved his decision, despite the confession made by accused that he had tried to end it all by poisoning his mother-in-law and himself.

Police evidence was that being unable to give more than $1,000 to his mother-in-law despite her repeated requests accused had tried to kill her. On Sunday, it was alleged, he bought some boiled noodles for her and before asking her to eat them he put the poison in the bowl. As a result, the aged woman suffered from an acute stomachache and had to be sent to a hospital where she soon recovered.

The accused youth fell in love with the daughter of the intended victim, a former waitress, last year. He has been living with her since March after paying more than $3,000 to the girl's mother. Recently, however, the woman made another request for cash and angered by her constant demands, accused was alleged to have committed the crime.

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FOREIGN TELEGRAMS

The European War, July 29.

British War Production

London, July 29.

"WE are not a totalitarian state, but we are working ourselves into a total war organization," Mr. Winston Churchill vigorously declared. He strenuously denied that there had been any chaos in British war production and said that "The picture, so luridly drawn of chaotic and convulsive struggles of three supply departments without guidance or design, is one which will no doubt be pleasing to our enemies, but happily has no relation to facts."

Mr. Churchill told the House that in his capacity as Minister of Defence he prepared for the War Cabinet during the first three months of this year and revised a general scheme bringing together the whole of Britain's munition production and the whole of Britain's import programme, and prescribing just and reasonable targets at which to aim.

Final Approval

The Prime Minister said that he had discussed these porgrammes with Ministers and service chiefs, and that they were also examined by his own statisticians. The general scheme received final approval by the War Cabinet on March 31.

The question arose, however, Mr. Churchill proceeded, whether "in their execution of the scheme, the three Supply Departments had been wanting in energy, or through excess of zeal, had quarrelled with each other, or trespassed on each other's domain.

"There were no doubt instances of friction at the fringes of these powerful organizations, but I do not believe they bear any proportion worth mentioning to their individual and concerted efforts," he said.

"A very high proportion of our war production is carried out in factories, working solely for one department. A system has been worked out for the allocation of the capacity of private engineering firms, either to single departments, or to two or more departments, in stated proportion. Probably half the factories concerned, and certainly more than three-quarters of the men employed, are now working for one single department," he continued.

Admiralty Factories

"The Admiralty has had many factories kept alive in times past by Admiralty orders. The Air Ministry has been striving for a great many years to build up an aircraft industry in this island, pending the day when Parliament could decide to have an air force equal to any within striking distance of these shores.

"At the point which we have now reached in our munitions development, almost all firms and factories are working under the complete control of the Government at the fulfilment of an approved and concerted programme. There are no doubt, a number of minor aspects of our national life which have not yet been effectively regimented, but when, and as they are wanted, their turn will come.

"We are not a totalitarian state, but we are steadily, and I believe, as fast as possible, working ourselves into a total war organization.

"In order to regulate imports of commodities from abroad, in accordance with the policy prescribed by the War Cabinet, we have an import executive comprising heads of importing departments, and presided over by the President of the Board of Trade. This is working very smoothly, and I am not aware of any troubles or disputes.

"By the side of this import executive, we have the North American Supply Committee, with its elaborate corresponding organization in the United States.

Purchasing Commission

"We are always trying to tighten and make more precise and definite the work of our Purchasing Commission in the United States.

"I should not pretend that there is not a great deal of room for improvement and refinement, and it would be a mistake to suppose that the efficiency of our Purchasing Commission has not reached a very high level, or that it is not constantly shaped and sharpened.

"A year ago, six months ago, there were a lot of troubles, but latterly my information is that they have very largely died away. We have, of course, come to a very clean cut agreement with our American friends and helpers. They are making immense efforts in the common cause and they very naturally ask for the fullest information as to what is happening to their goods and whether there is waste and misdirection. It is our duty to satisfy them that there is no muddle, or that that muddle is reduced to a minimum and that they are getting value for their money. We welcome their criticism because it is at once searching, friendly and well-informed.

Steady Improvement

"The improvement in ordering imports and of British purchases in the United States is in relation to a very large number of competent persons, and work is put into it on both sides of the ocean. It is, I am glad to say, steady and progressive."

Declaring that each of the fighting services to an overwhelming extent commanded its own factories and labour, Mr. Churchill said that there was nevertheless the debatable ground of firms which served several departments at once. Obviously, he said there was rivalry in this part of the field, but there ought to be rivalry and service competition. It was for the purpose of resolving disputes and the rivalry of departments in this limited field that the Production Executive was called into being in January. All members of this body had an interest to agree. They might have different interests to advocate because they had different duties to discharge, but it was an illusion to think they did not fully cooperate. Mr. Churchill said that he had seen some sharp difference, but these differences had never been so sharp as they were during the last war, and all he could say now was that in the last four months no question of departmental ravalry had been brought to him from the production Executive.

"No Dispute"

Mr. Churchill continued:—"I give assurances that in the high controlling organization there is now no dispute in progress about priorities factory space or machine tools.

"Do not suppose that this remarkable fact is the result of inertia or decay. On the contrary, I hope to show that production in all its forms is gaining steadily and swiftly, not only in volume, but even at this present moment, high altitude in momentum.

"All this talk about difficulties of settling priorities is a back number. We have no more of these absolute priorities in virtue of which one department claimed all there was of one particular commodity, leaving nothing for the needs of others."

"Additional Complication"

Dealing with the suggestion that a Ministry of Production should be formed, Mr. Churchill said that so far from helping him in his task, this would be an additional complication. The Ministers at the head of departments were men of great energy, experience and knowledge, with powerful and swift running machinery at their disposal, and if they could not execute the programme with which they were charged, he did not see how a super minister from outside, with a skeleton staff, could do it for them. Moreover, Mr. Churchill asked, where was this super personality who would dominate the Admiralty, to whose successful exertions we owed our lives or who would teach the present Minister of Aircraft Production how to make aircraft quicker or better or who was going to interfere with Lord Beaverbrook as Minister of Supply?

"When you have decided on that man, let me known his name," Mr. Churchill said. He added, amidst laughter: "I shall be very glad to serve under him, provided I am satisfied that he possesses all the Napoleonic qualities required."

Machine-Tool Question

More laughter greeted Mr. Churchill when he dealt with the suggestion that a census of machine-tools should be held throughout the country. "There have already been three," the Prime Minister added. There was, Mr. Churchill continued, hardly any part of Britain's common organization for war production that had been more precisely examined than this question of machine-tools.

In a previous debate, Mr. Churchill proceeded, it had been stated that a number of aircraft were ordered from the United States, without ancillary equipment, and that large numbers were standing in their crates unloaded because of this.

Mr. Churchill declared that "So far as aircraft of British order are concerned, this is quite untrue. British aircraft orders have always been placed along with orders for spare engines and spare air-frame parts.

"Mis-Statement"

"This mis-statement arose from the fact that when France collapsed, French orders were taken over by the Ministry for Aircraft Production. Those aircraft had to be accepted in the condition they were prepared for the French. Though that was a windfall, French aircraft, and also Tomahawks, arrived here without spare engines or spare air-frame parts and designed for French guns, with wirelesses tuned differently from ours, and with different means of control for manœuvre. As swiftly as possible those aircraft have been modified and brought into use. Practically all those French and American aeroplanes are now in use and are most satisfactorily in operation."

That, said Mr. Churchill, was the whole of the story which had been paraded as typical scandal and typical of methods in which the Britons did their business. An enquiry addressed to the Minister concerned would have elicited an immediate explanation.

Cheers greeted Mr. Churchill when he mentioned the name of Mr. Harry Hopkins. He said that he had presided over a meeting attended by Mr. Hopkins.

Mr. Hopkins, with his full knowledge shared by expert American officers, dwelt upon the trials and difficulties attending modification of aircraft from the United States on the French account and Mr. Hopkins expressed satisfaction with the arrangements which had been made in Britain for overcoming them. Outside states where there was a vigorous campaign against the policy pursued by the President—Mr. Churchill feared that harm had been done and that it could not be easily overtaken or healed.

Flexible Adoption

Declaring that he felt that British machinery of production, vast and intricate as it was, was capable not only of flexible adaptation but of sustaining successfully a number of inevitable Jerks, and Mr. Churchill said that these largely took place in the sphere of the Aircraft Ministry.

Mr. Churchill continued:—"Believe me, mastery of the air and leadership and command of design cannot be achieved except with the process of interminable trial and error and costly scrapping of established types. Something better comes along and you cannot afford to miss it, even if you have to pay and pay heavily. The struggle for air mastery requires vast numbers, but these vast numbers cannot succeed alone unless there are leading types constantly achieving higher levels of enterprise and perfection. I am glad to tell the House that our spring and summer fashions in aircraft this year are farther ahead of contemporary German production than they were last year. The enemy has borrowed many ideas from our fighter planes when they felt their mettle a year ago, and we have borrowed some from them. We have confronted him in 1941 with fighter aircraft of a performance, speed and ceiling and gun armament which have left our pilots with an added sense of technical superiority."

Dealing with the situation in filling factories, Mr. Churchill said that the position was not as it was in the last war when there had to be an intense effort to feed the guns from day to day. Britain is piling up satisfactory reserves with no immediate outflow.

General Charge

Coming to the more general charge of slackness and inefficiency in factories, which was voiced in a recent debate, Mr. Churchill quoted Mr. Wardlaw-Milne, who said that Britain was only working up to 75 per cent. of its possible efficiency. This sentence, said Mr. Churchill, had been wrested from its context. It was serious when it was broadcast apart from its context. He had to think of its effect in Australia, where party politics were pursued with robust detachment. Australian troops were bearing, with great distinction, much of the brunt of the fighting in the Middle East and it must have been very painful to Australia to be told that Britain was only making a three-quarters effort to put proper weapons in their hands.

Effect on U.S.

In America such a statement was meat and drink to Isolationists. Americans were asked to pay higher taxes, to give up food, to alter their daily lives, to reduce their holidays and to go without pleasures of all kinds, in order to help Britain and they were deeply disturbed when they were told, on what seemed to them to be high British authority, that Britain was only making a three-quarters effort to help herself.

What was importan was whether this statement was true. Two questions arose:—whether it was 75 per cent. and 75 per cent. of what? Mr. Churchill proceeded: "I take the date line of three months after Dunkirk, when our people worked to the utmost limit of their powers—men fell exhausted at their lathes and working men and women did not take off their clothes for a week at a time. Are we working at only 75 per cent. of what?

"There are a few reasons why we cannot maintain indefinitely the intensive personal effort of a year ago, if we are to win this war, and I feel solidly convinced that we will, it will be largely by staying power. For that purpose there must be one day in seven of rest as a general rule, and there must be one week's holiday yearly. We have relaxed to that extent since Dunkirk; if we had not done so we should have had a serious crash."—Reuter.

Fighting Continuing on Ecuador Frontier

Vichy, July 29.

Fighting continues on the Peruvian-Ecuador frontier, according to an official communique issued at Lima.

It was reported from Quito on Sunday that fighting ceased on Saturday evening following an agreement between the two parties sponsored by Argentine, the United States and Brazil.

A communique quoted in a Lima despatch to the Vichy News agency states that Peruvians on Sunday "recaptured the island of Matapalo, near Boca de Capones. Meanwhile negotiations for ending the hostilities are continuing."—Reuter.

Nazi Drive Losing Momentum

London, July 29.

SEVERE fighting continued unabated in the areas of Smolensk, Zhitomir and Nevel, while there were no important developments in other sectors, states a Russian communique, which gives virtually the same information as announcements issued yesterday. The Russian air force, in co-operation with land forces, continued to attack important enemy concentrations.

German planes attempted to reach Moscow again last night. About 150 aircraft tried to bomb the capital, but only four or five got through and at least nine were brought down, the Russian command claims. Fires were quickly put out. There were several casualties, some of them fatal.

A German announcement states that Nazi aircraft bombed Odessa on the Black Sea.

Losing Force

The Russians claim that the offensive around Smolensk and Zhitomir is losing its force against strong resistance. At one point a Russian counter-attack is claimed to have taken a heavy toll of the enemy.

Fresh successes are also claimed in the Baltic, where coastal defence batteries and fleet planes sank a German destroyer and two patrol vessels for the loss of one Russian destroyer, according to the announcement.

Reports of the fighting in the Leningrad area are conflicting. The Germans claim that Leningrad is surrounded and that Finnish troops are already in the suburbs, but a correspondent of a Swiss newspaper contradicts this. He says that German troops operating south of Leningrad have been forced to withdraw from Novograd and that strong reserves have been thrown into the battle.

90 Miles from Leningrad

German and Finnish troops, he says, are still at least 90 miles from Leningrad.

According to information reaching Reuter from neutral sources, the Germans have underestimated their enemy and are already short of supplies.

Meanwhile, a message from Zurich tells of a long list of Germany's difficulties on the eastern front as recounted by a Lieutenant Solban writing in the "Voelkischer Beobachter."

These include dust, bad roads and the desperate resistance of the Russian. "The Stalin line is everywhere different," he says. "The Bolsheviks have exploited every possibility in the art of fortification. To the north where the Dnieper turns eastwards, no longer offering natural protection, they have built usually strong fortifications.

Great Depth

"In the Dnieper sector German and Soviet detachments fight in great depth and are often widely separated from each other. The battle has apparently dissolved into individual conflicts. Friend and foe thrusting first towards each other, and then away, present a spectacle of a confused jumble. Each detachment is obliged to think and act independently.

"Everywhere there is terrible dust; on passing a column you are so covered with dust you can only see an approaching vehicle when it is a few yards away. Nobody has any time. Everything is rushing backwards and forwards. Meanwhile the soldiers struggle uphill along roads pitted with shell holes—a difficult task considering the dust and traffic.

"Front is Everywhere"

"The prospect of victory depends on the maintenance of a few available roads which are really serviceable. The front is everywhere. To the half right, behind me 150 kilometres away, infantry are fighting against an encircled enemy front. German detachments are also fighting farther forward. But still there remain enemy forces between them and us."

Another Berlin correspondent of a Zurich newspaper quotes an extract from a German soldier's letter written from the eastern front in which he says:—

"This war is the thirstiest of all wars. We thirst for so much as one hour without the noise of battle, for a strip of summer road which does not smell of burning and death. But all this is trifling beside the thirst for water to drink and wash in.

"This is the worst war Germany has had to fight. It is a war to win or perish against soldiers who fight with desperate obstinacy even in hopeless situations. The war in Russia, more than anywhere else, is one huge horror."—Reuter.

Bessarabia Said Cleared

Berlin, July 29.

With Rumanian troops having reached the estuary of the Dniester River, Bessarabia has been liberated from the control of Russian troops, the High Command announced in a noon communique today.

Soviet forces which were disclosed in the piercing of the Stalin Line in the direction of Smolensk have been partically all annihilated and at present Red remnants, trapped east of Smolensk, were facing death, the communique added.

The High Command said that large numbers of prisoners and great quantities of materials were captured during this gigantic battle and detailed figures would probably be available within the next few days.

Russians Said Trapped

West of Lake Peipus, Russian forces also were trapped by the troops entrusted with mopping-up operations in Estonia and thus the Soviets were facing destruction, the communique added.

Armament works, supply establishments, railroads and bridges in Moscow were attacked by strong German bomber formations last night, the communique reported.

Meanwhile, German military news continued to concentrate on the flanks on the eastern front, with the Finns apparently driving toward Leningrad on both sides of Lake Ladoga, while in Bessarabia the Germans had penetrated to the southernmost wing of the Stalin Line.

German informed quarters said that they had no information regarding any Finnish offensive in the Viipuri region and German press reports regarding the central sector of the front clung to the formula that operations around Smolensk were "nearing completion."

A radio speaker yesterday described how Finnish troops were "fighting forward victoriously on both sides of Lake Ladoga."

The announcement was the first indication of any offensive on the Karelian Isthmus.

The Isthmus was reported to be most strongly fortified from Leningrad to beyond Viipuri, since the Russians took over the territory from Finland.—United Press.

Britain Will Not Negotiate with Hitler

London, July 29.

Mr. Anthony Eden, Foreign Secretary, today reiterated that Britain would never negotiate peace with Hitler or the Nazi regime, after he had warned the world to expect a German peace-offensive.

Mr. Eden said that Herr Hitler, for the first time in his career, was attempting to keep a promise to the German people—that of ending the war this year.

The Führer, Mr. Eden pointed out, hoped to achieve this promise by "crushing Russia, but failing that he now is preparing a peace-blitz in order to gain time."

He reiterated that Britain would not enter peace negotiations with Herr Hitler or the Nazi regime.

"We are not interested in any peace terms Hitler or his Government may put forth," he stressed.

"We are determined to cause the destruction of Hitler and his regime and all it stands for, for we know that until this is achieved there will be no foundation that can exist on which lasting peace can be built."

Britain's Peace Aims

Outlining Britain's peace aims regarding the Germany of the future, Mr. Eden emphasized that the Allies must take measures to prevent Germany from again becoming a military threat. He added, however, that the British conditions were not designed to cause an economic collapse.

"I say that not out of any love for Germany, but because a starving, disrupt Germany in the midst of Europe would be poison to all of us who are her neighbours. That is not sentiment. It is common-sense," he added.

Mr. Eden warned the Allies that they would have to maintain their arms and vigilance to enforce peace after victory was won because the last war proved that reliance could not be placed on the good sense of all people and council room debates.

"Vigilance can only be relaxed with proof that rivalries and hatred have been eradicated and reconciliation has taken place," he said.

U.S. Co-operation

Mr. Eden added that the British were hoping that the United States would actively cooperate in the post-war reconstruction and "work with us in keeping through the generations the peace we shall have won."

The Foreign Secretary pointed out that as "long as Hitler and his men rule Germany and Germany's military power is unbroken the world can only expect lies and deceit" culminating in an inevitable and "more terrible war."

Discussing post-war reconstruction, Mr. Eden said that Britain's duty would be to start at once in fashioning the world so that the causes of rivalry might be removed.

"We are fortunate in having in London Governments of many Allied Powers," he pointed out.

He revealed that he hoped to hold a joint meeting shortly to begin discussion of the problems.—United Press.

Italian Air General Killed in Action

Zurich, July 29.

General Federigi of the Italian Air Force has been killed in air combat, reports the "Neue Zuercher Zeitung."

Federigi took part in many bombing raids including those on Haifa, and held the Silver Medal for gallantry.—Reuter.

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Invasion Season At Hand

London, July 29.

Mr. Winston Churchill today warned the House of Commons that the invasion season was at hand and therefore "all of our armed forces have been warned to be at concert pitch by September 1 and to maintain the utmost vigilance in the meanwhile."

The Prime Minister emphasized that it was madness to suppose that Russia or the United States was going to win the war for Britain, but added that "it was a fact that the United States is advancing in rising wrath to the very verge of war."

He pointed out that "it was only by the prolonged effort of the whole of the British Empire that three-quarters of the human race could be marshalled into dynamic life against Nazidom."

He said that if "we failed others would fail."

Battle of Altantic

"The battle of the Atlantic is moving slowly but impressively in our favour," Mr. Churchill revealed.

The text of the speech follows:—

"When I look out at the whole tumultuous scene of this ever-widening war I think it is my duty to give serious warning to the House and this country to be on guard equally against pessimism and optimism.

"There is no doubt that are temptations toward optimism.

"It is a fact that mighty Russia, which was so treacherously assaulted, has struck back with such magnificence, strength and courage and has brought prodigious and well-deserved slaughter on the Nazi armies.

"The United States is the greatest single power giving us aid on a gigantic scale and is advancing in rising wrath to the very verge of war.

Nazi Air Superiority Broken

"It is a fact that German air superiority has been broken and air attacks on this country for the time being have almost ceased.

"It is a fact that the battle of the Atlantic, though far from being won, is partly, from American intervention, moving progressingly in our favour."

"It is a fact that the Nile Valley is much safer than it was twelve or three months ago.

"It is a fact that the enemy has lost his pretence of a sound theme or doctrine and has sunk so deep in the mire of intellectual degradation and bankruptcy that almost all of his conquests have proved burdens and worse.

"But all the massive and towering facts upon which we are entitled to dwell must not lead us for the moment to suppose that the worst is over.

Invasion Season

"The invasion season is at hand. All our forces have been warned to be at concert pitch by September 1 and to maintain the utmost vigilance in the meanwhile.

"We have to reckon with a gambler's desperation.

"We stand here still the champion, if we fail all will fail.

"It is only by superb, intense and prolonged effort that the whole of the British Empire with the great combination about three-quarters of the human race against Nazism will come into vehement and dynamic life.

"For more than a year we have been all alone. All alone we have had to guard the treasures of mankind. Although there may be profound and encouraging changes in the situation, our own final and commanding resistance remains undiminished and we shall only discharge them by continuing to pour out in the common cause the utmost endeavour of our heart's blood."—United Press.

Canadian Navy

London, July 29.

The Dominions Office announced that the Admiralty and the Canadian Navy have reached an agreement under which the latter's role in the Pacific will be made "more significant", and the convoying of equipment and personnel in the Atlantic will be made "still more effective." No details, however, were revealed.

The Dominions Office said that the agreement "may have far-reaching effects on many aspects of the Battle of the Atlantic."

Prior to the end of the year, Canada plans a Navy of 25,000 men and 205 ships, it was added.—United Press.

Axis People Suffer

Washington, July 29.

"The double-barrelled dose of economic warfare, the freezing of Axis orders and the black list, played real havoc with the Axis operations in South America," declaret General Pearson Allen, columnist, in the "New York Mirror."

Confidential government cables, he said, reported that as a result of these measures 25,000 Axis nationals had been uprooted wholesale from thriving enterprises and becoming refugees, getting a dose of the bitter medicine that Germany had meted out to millions of victims in Europe. —Reuter.

Russian Troops Holding Up Nazis

Though claims from the Russian front are conflicting, there can be no doubt that the German offensives have failed in their objective in smashing the Soviet armies. The pictures show, above, Soviet gunners training a heavy field gun. Below, a Soviet multiple machine-gun ready to greet a Nazi dive-bomber.

The European War, July 30.

Furious Russian Attacks

London, July 30.

LAST night's Russian communique was again distinguished by its lack of information. The announcement, which is almost a verbatim duplicate of those issued in the past two days, states:—

"During the night of July 29-30 our forces continued stubborn fighting with enemy forces in the Nevel, Smolensk and Zhitomir regions. Our air force, co-operating with land forces, dealt blows at mechanized units of enemy infantry and artillery."

The Russians say that fighting was particularly heavy in the Smolensk area yesterday.

Russian counter-attacks in the Smolensk area have been hurled back with heavy losses to the Soviet forces, states a German High Command communique from Herr Hitler's headquarters.

The statement says:—"Renewed attempts by the enemy to liberate encircled forces east of Smolensk by an attack to relieve pressure were repelled. The enemy suffered heavy losses. On all other sectors of the eastern front operations are proceeding according to plan."

There are reports of increased sabotage and guerilla warfare behind the German lines, and the Russians state that the Germans are compelled to send to the rear tanks and motor-cycle machine-gun units in an attempt to ease the situation.

Advance Weakening

Reuter's Correspondent in Moscow says that the German advance seems to be weakening against strong resistance in the Zhitomir area.

An earlier Russian announcement claimed the destruction of 78 German aircraft during Sunday and Monday, with Russian losses set at 51.

Fierce Counter-Attacks

A violent battle is raging in the Smolensk area following the launching of furious counter-attacks by Soviet troops, according to reports received in London.

Both sides claim successes. While the latest Soviet communique says that German units have been dislodged as a result of the conter-attack, a Finnish radio station claims that the Germans have been victorious in what it described as the biggest battle of all times.

The Russians are said to be using tanks of over 100 tons in the Smolensk battle, and are said to be inflicting heavy losses on the Germans.

The Berlin spokesman last night said that in the northern sector the Finns were making further progress, while an official Finnish communique said that the entire northern coast of Lake Ladoga had been occupied.

Difficulties Facing Germans

"The latest German statements show that the Germans have given up their intention of pushing directly to Moscow and of advancing deep into Russia, and are trying to effect tactical successes within general turmoil," says the "National Zeitung."

"This does not correspond with expectations raised at the beginning of the war after the relatively easy capture of Russian frontier areas. Their communications, stretching over hundreds of kilometres, continually threatened by systematic guerilla action, interrupted at dozens of places and bombarded by a still very active enemy air force, the German problem is to maintain coherence between their advanced posts and bases," the newspaper continues.

"That means a great loss of time. The delay is of great advantage to Britain in putting the last touches to the island's defences and in carrying out air attacks against the German armament industry," it concludes. —Reuter.

Nazi Casualties 1,500,000 Men

Moscow, July 30.

M. S. A. Lozovsky, Foreign Vice-Commissar, yesterday told foreign correspondents that German casualties in the first month of the Russo-German war totalled 1,500,000 men, more than 3,000 aeroplanes and about 5,000 tanks.

"If stabilization means that the enemy has been checked, then the front has been stabilized," M. Lozovsky also said.

The Vice-Commissar declared that the Germans had been halted everywhere, and that the Russians were counter-attacking in many sectors. Fierce operations were going on both at the front and in the rera Lozovsky said.

He admitted the existence of trenches but said there were no permanent long trench lines.—United Press.

German Claims

Berlin, July 30.

Authorized sources here yesterday said that 8,988 Soviet planes had been shot down since the start of the Russo-German war, averaging 236 a day.—United Press.

Russians Optimistic

New York, July 30.

A summary of Soviet reports here last night showed increased optimism at ability to strike back at Nazi panzer troops.

The Germans claimed that the Rumanians had captured Akkerman, 28 miles from Odessa but no other important territorial claims were made.

The German High Command asserted that the bulk of the Russian troops, in pockets behind advance lines in the Smolensk sector, had been "smashed."—United Press.

Hopkins Arrives In Moscow

Moscow, July 30.

Mr. Harry Hopkins, coordinator of the United States defence programme and President Roosevelt's personal envoy, and two military aides arrived this morning by plane from London. —United Press.

Italian Aircraft Destroyed

Cairo, July 30.

Thirty-four enemy aircraft were destroyed during R.A.F. attack on aerodromes in Sicily on Monday.

Many others were damaged and a number of casualties were inflicted on aerodrome personnel during these operations, which were carried out by our aircraft without loss to themselves.

At Catania, four Macchi 200's, six S 79's and one Junkers 52 were destroyed. Several Macchi fighter-trainer biplanes were also damaged.

Other Airfields Attacked

At Syracuse, seven Cant Z 501's (flyingboats) were destroyed and a number of the same type damaged.

At Marsala, on the western extremity of the island, seven Cant Z 501's were destroyed and a number of others damaged at Borizzo landing ground near, Trapani, nine S 79's were destroyed, and about 25 of the landing ground staff killed by the attack.

R.A.F. bombers attacked a loaded vessel in the Central Mediterranean on Monday and left it in a sinking condition.

Heavy bombers again attacked Benghazi during the night of July 27/28. Bombs were dropped from a low altitude and caused fires and explosions on the mole.

From all these operations British aircraft returned safely.

Patrol Activity Round Tobruk

"As local conditions were unfavourable, our offensive patrols from Tobruk carried out only limited operations during the night of July 27/28," says today's communique. "In the frontier area as a result of our aggressive activities enemy counter-patrolling has temporarily increased both in numbers and in areas covered.

"In one successful clash yesterday one of our patrols captured some German prisoners together with two mechanized transport vehicles and two motorcycles."

Alarm Sounded in Cairo

Air alarms were sounded in Cairo and in most of the delta provinces in the early hours of yesterday morning, states an official communique.

Cairo's anti-aircraft defences were in action. Only three bombs fell in one of the provinces and in the desert, but there were no casualties or damage.—Reuter.

Slight Activity Over Britain

London, July 30.

During the night a very small number of aircraft flew a short distance inland across the east Coast, States an Air Ministry Communique issued this morning.

Bomb were dropped at a few points but no casualties have been reported and only superficial damage was caused, the communique adds.—Reuter.

Italians Claim One British Destroyer

Rome, July 30.

"The Italian motor-torpedo-boats, which supported an attack on Valetta harbour during the night of July 25, had a violent engagement with British destroyers on their return journey," says yesterday's Italian communique, and then adds "a British destroyer was torpedoed by one of our motorboats and sunk, two of the Italian motorboats failed to return."

"In northern Africa, during a combined attack on Sollum on the afternoon on July 27, a German contingent captured some prisoners and forced the enemy advance elements to retreat."

"On the Tobruk front there was a brisk exchange of artillery fire. Patrol and artillery action is reported from the Gondar front in East Africa."

"British planes yesterday afternoon raided some localities in Sicily from a low altitude. There were a few wounded and some damage was done. Italian fighters immediately intervened and shot down one plane which fell in flames," concludes the communique.—Reuter.

Over 7,000 Axis Planes Destroyed During War

London, July 30.

A total of 7,195 enemy plane were destroyed from the outbreak of war to the end of June, 1941, of which 37 were destroyed at sea, 3,566 over Britain, 324 in Europe, 56 in Scandinavia (Norway), 957 on the Western front (to Dunkirk), 327 by the Royal Navy, and 1,928 in the Middle East. The above are authentic R.A.F. figures, which do not include planes damaged.—Reuter.

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Foreign Telegrams (con.)

U.S. Cooperating Wits U.K.

London, July 30.

Asked to what extent progress had been made between Great Britain and the United States in producing a blacklist of traders, Mr. Hugh Dalton, Minister of Economic Warfare, in the house of Commons yesterday said that the United States had issued a list of 1,834 persons in Latin America. A majority of these also appeared in Britain's statutory list.

Mr. Dalton said that he was consulting the United States Government on a co-ordination of the two lists.

Welcome Act

Cheers greeted Mr. Dalton when he added: "This new departure will be of the greatest value to us in waging economic warfare, and I am sure the House will wish to join with me in welcoming this striking act of American co-operation."

Mr. Dalton replied in the affirmative when asked if consideration was now being given to the question of Japanese enemy trade.—Reuter.

46 Names Removed

Washington, July 30.

Forty-six names have been removed from the United States black list of firms and agents in Latin America acting on behalf of the Axis Powers.

This was announced yesterday by Mr. Sumner Welles, Acting Secretary of State, who said that further deletions and additions would be made from time to time on the basis of continued study.

Mr. Welles simultaneously issued a formal statement saying that the chief effect of the blacklist was "to deny benefits of American trade to persons who have hitherto been using large profits and finance for subversive activities aimed at undermining the peace and independence of the western hemisphere."—Reuter.

Officers of British Navy Decorated

London, July 30.

Many officers and men of the Formidable, one of Britain's aircraft-carriers, and of the battleship Warspite are named in a supplement to last night's London Gazette for their part in the great victory over the Italian fleet off Cape Matapan—the greatest naval victory of the war.

Comdr. Charles Graham Thompson becomes Additional Officer of the Military Division of the Order of the British Empire.

Awards to officers and men of the Formidable include the Distinguished Service Order to Lieut.-Commander Wilfred Henry Gerald Saunt and the Distinguished Service Cross to Lieut.-Commander John Walwell Stead.

Ten officers receive the D.S.O., five the D.S.M., and 38 officers and men are mentioned in despatches.

Captain Henry Aubrey Rowley of the Gloucester and Commander Geoffrey Barnard of the Warspite receive the D.S.O., and Lieut.-Commander Arthur Seymour Bolt of the Warspite receives a bar to the D.S.C.

Seven other D.S.C.'s are awarded to officers of the Warspite, Barham, Valiant and Havock, and there are seven Distinguished Service Medals. Officers and men of these and other warships are among those mentioned in despatches.—Reuter.

"Not a Sullen Face Or Angry Word in England"

London, July 30.

"I have not seen a sullen face and not heard an angry word since my arrival in England," says Miss Dorothy Thompson, American columnist who is now in Britain, in an article printed in the "New York Post."

"And from what depths do these people draw their inexhaustible reserve of nerves?" she asks. "There is no stridency. Nobody brags, but everybody is proud in a secret way. That's it—these people have a secret—loving England, they have utterly lost fear."

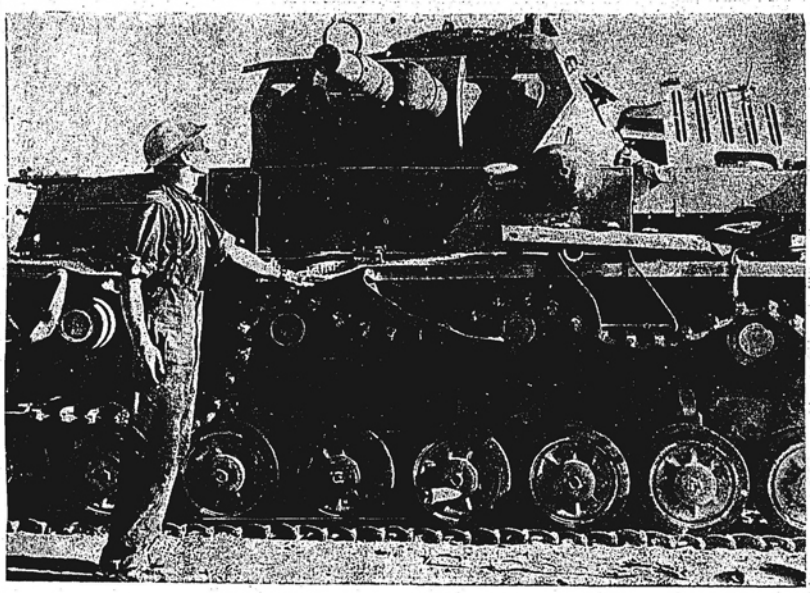
Miss Thompson has a word to say to the Germans. "Don't try to break these people, Germans. You'll break your weapons and your hearts."—Reuter.

Canada to Have Naval Personnel of 25,000

London, July 30.

Discussions which may have far-reaching effects upon many aspects of the Battle of the Atlantic have been completed between the British Admiralty and representatives of the Canadian Navy Department, it was authoritatively learned yesterday.

Canada plans to have a naval personnel totalling nearly 25,000 before the end of the year, manning 250 vessels.—Reuter.



Nazi Tank Captured in Western Desert

This is one of many German tanks which have been captured by the British in the Western Desert. A Royal Engineer is looking the monster over, before beginning to dismantle it at an R. E. mobile workshop.

The European War, July 31.

Big Battle of Smolensk

London, July 31.

THE battle of Smolensk is being waged on such a gigantic scale that it cannot continue indefinitely and a decision is expected within the next week or two. That is the view of authoritative quarters in London where it is pointed out that to a great extent the future course of the war in Russia will depend on the outcome of the Smolensk struggle.

It is almost impossible for either side to stabilize the front over such a vast area. Static warfare such as was known in the last war is scarcely feasible along a front of hundreds of miles. It is now a question whether the Germans can deploy sufficient new troops and armoured forces to smash resistance or whether the Russians can hang on and counter-attack with such weight that they can win the battle by completely exhausting the Germans.

Today's Soviet communique states briefly in the usual vein that fighting continued in the Porkhov, Novorzhev Smolensk and Zhitomir areas. In other sectors no important engagements took place.

The Russian air force attacked mechanized forces and artillery units. During yesterday 30 German planes thrice attempted to raid Leningrad but all attempts to break through to the city were beaten off by ground fire and Russian fighters, the statement claims.

East of Smolensk

There are indications that German forces are operating east of Smolensk. It is quite possible therefore that there are Russian troops surrounded in this area, though it does not necessarily follow that they are trapped, it is pointed out in London.

They may be fighting hard as self-contained units and Russian counter-attacks now being launched may well be designed to free these troops.

There is no evidence in London of any large-scale preparations being made on the Bulgarian and Turkish frontiers.—Reuter.

Germans Held Up

Moscow, July 31.

The German war machine is still held up all along the long Russian front, for the latest Soviet communique reports continued battles in the control sector around Smolensk and in the Jitomir sector of the Ukraine, and that in other parts of the line no important engagements took place.

The communique says that the fiercest fighting is raging round Smolensk, while the Russians yesterday announced that they had launched counter-attacks. The Germans are claimed to have suffered severe losses in men and equipment.

According to M. Lozovsky, of the Soviet Information Bureau, the Germans have been halted everywhere, and several Nazi units encircled. At some points, he added, Russian counter-attacking forces have thrown back enemy units as much as 100 miles.

Rumanian Oil Bombed

In the air the Russians report close collaboration with their land forces and continued blows at enemy tanks and infantry as well as enemy aircraft on their aerodromes. The communique states that the Russian air force has again bombed Rumanian oil fields at Ploesti and Sulina, where large fires broke out.

Earlier, Moscow Radio stated that it was the opinion of experts that even if no further bombing took place the productivity of the Rumanian oil wells for the next few months would be reduced to at least half.

Anglo-Soviet Air Raid?

The German Radio last night said British and Russian aircraft made a simultaneous attack on a harbour in northern Norway. It declared that British torpedo-carrying planes, with a strong fighter escort, took off from a British aircraft-carrier in the Arctic Sea. At the same time, it was said, Russian planes appeared. The Germans claimed that the attack was a complete failure. So far there is no confirmation that it took place.

Hitler's efforts to recruit volunteers against Bolshevism have proved a complete failure, it is pointed out. The result hitherto is given as follow:

Sweden—a small group of fascists and a few retired officers have joined up.
Spain—volunteers have been so few that regular troops have had to be sent.
Denmark—100 recruits.
Norway—46 recruits.
Belgium—Less than a dozen.
Holland—nil.

Moscow Punishment

Soviet determination to combat all Nazi air attacks is evidenced by the drastic punishment of slackness in fire-fighting in Moscow.

Three high officials of the Moscow car parts supply trust and the responsible firewarden of the trust have been sentenced to death for inadequate provision of fire-fighting equipment and general slackness in precautions.

The inventory manager received a sentence of ten years' imprisonment.

The case was judged by a military tribunal, and the accused were charged with sabotage and counter-revolutionary activity owing to a fire on the night of July 14 on the trust's premises, causing damage of 3,500,000 roubles. The fire lit up one-quarter of the city, nullifying the blackout.

Full Text

The full text of the latest Soviet communique reads:

"During July 30 our troops continued fighting the enemy in the Novorshev, Nevel, and especially stubbornly in Smolensk and Jitomir directions. In other directions and sectors of the front no important engagements took place. Our air force, in close co-operation with land troops, continued to deal blows to enemy tanks and infantry troops and to his aircraft on aerodromes. They also bombed Ploesti and Sulina, where large fires broke out as a result of the bombing.

"On July 29 our air force, according to incomplete data, destroyed nine German planes. We lost five planes. German troops operating in the Smolensk direction sustained heavy losses in men and equipment.

Crack Unit Cracked

"A few days ago Red army units completely smashed the motorized infantry regiment of Storm Troopers known as "Great Germany," which belonged to a division of special SS detachments. In fighting with the Red army the regiment of Storm Troopers lost over 2,000 men and officers killed and wounded, and several hundred prisoners, 30 machine-guns, 12 heavy machine guns, 11 guns of various calibre, 14 anti-tank guns, many cars and much ammunition.

"It should be noted that the regiment "Great Germany" was highly valued by Hitler. It was formed in 1940 out of a former Berlin guards regiment, which guarded Germany's most important Government and party institutions. Only men not less than 170 centimetres in stature, politically "reliable," and who showed themselves as devoted to fascist fanatics were selected.—Reuter.

Penetration Into Ukraine

Berlin, July 31.

German troops have penetrated deep into Russian positions in the Ukraine in the course of pursuing retreating Soviet forces, the High Command announced today.

The steel ring around the Russian troops trapped east of Smolensk has been further tightened, the High Command added.

German troops operating in Estonia have driven the Russians back in a northerly direction, the High Command reported.

The High Command also claimed that German fighters and bombers last night effectively bombed military objectives in Moscow and also the Orel railway station.

Leningrad Threatened

Usually reliable quarters declared today that German military authorities expected that Leningrad, key Soviet communications and defence centre, would fall to Nazi armed forces in "the nearest future."

Reports circulating in Berlin as long ago as last Saturday said that the German panzer spearhead had pushed forward as far as the outskirts of the city. There was no official confirmation of the reports and if they proved true, the Germans apparently have not been able to consolidate their successes.

Unnamed Town Taken

Informed quarters simultaneously declared that German troops had occupied an unnamed city on the upper Dnieper river on an unstated date. The Germans captured more than 10,000 prisoners although "the city was particularly stubbornly defended," these quarters stated.

German panzer divisions, aided by Rumanian and Hungarian forces yesterday continued to smash forward in the Ukraine despite stubborn Russian resistance and made successful advances, according to D.N.B., official German news agency.

On the southern Bug river sector, Allied forces cut off strong Soviet detachments from the line of retreat and annihilated them, it was claimed.

New Thrusts Indicated

Simultaneously, German informed quarters claimed that Nazi supply columns were now operating along the main highway to Moscow as far east as Smolensk, indicating that the Germans were preparing for new thrusts and had cleaned up Soviet pockets in the rear.

D.N.B. reported that German forces, thrusting constantly through thick wooded areas, repeatedly cut off isolated Soviet detachments from the main divisions.

"Although the situation was obviously hopeless, Soviet infantry repeatedly assailed the German positions in broad waves, only to be driven back with bloody losses," D.N.B. added.

Fierce Attack

Two Soviet divisions were completely wiped out when German forces caught them in a trap west of Lake Peipus and then smashed the Russians with a fierce attack using hand-grenades, machine-pistols and other close-quarter weapons.

D.N.B. reported that German and Finnish units carried forward their attack on the Finnish front with success. The Russians were said to be retreating after setting fire to forests.

Air Victories Claimed

D.N.B. yesterday reported that five out of eight attacking British planes were shot down by German Messerschmitt fighters during a British raid on Heligoland Bay in the afternoon.—United Press.

German Attempt to Bomb Moscow Fails

New York, July 31.

The Columbia Broadcasting System reported today having heard Moscow radio announce that a German attempt to raid Moscow last night was completely frustrated and not a single Nazi craft reached the Russian capital. "Anti-aircraft and fighters dispersed" several dozen German planes attempting to raid the Red capital and "not a single plane reached Moscow. One German bomber was shot down," Moscow radio said, according to the C.B.S.—United Press.

British Bombers Working Nearer Red Air Force

London, July 31.

British naval aircraft yesterday attacked shipping in the harbours at Kirkenes and Petsamo in northern Scandinavia, states an Admiralty communique.

This raid is the nearest blow which the British hitherto have dealt the Germans towards the Russian front and is the most direct help so far given to the Soviets.

Kirkenes and Petsamo are both near the Russian front and this attack on German communications in the north must have been a useful one from that point of view.

It shows that British power is gradually stretching farther and farther towards direct assistance to Russia.

Harbour Raided

At Petsamo little shipping was found in the port and the attack was concentrated on harbour works. Anti-aircraft fire and fighter opposition were encountered but jetties were hit, a warehouse and oil tank were seen to be on fire, and generally great damage was done to the port facilities.

At Kirkenes the fast German warship Brenst, 1,460 tons, with armament of six 3.5 anti-aircraft guns which before the war was a gunnery training ship, was twice hit. Strong enemy opposition made it impossible to observe all results but it is known that at least four supply ships were hit.

Three Messerschmitts and one Junkers plane are known to have been shot down during the operation. British losses were 16 naval aircraft.

Daylight Attacks

In daylight yesterday a considerable force of Blenheim bombers searched German territorial waters for shipping, states an Air Ministry communique. A number of small vessels in convoy were attacked in the Heligoland Bight.

A ship of 1,200 tons was sunk and another of 1,500 tons was left heeling over and sinking. Direct hits were seen on two more ships of 1,500 and 500 tons followed by explosions which threw debris high in the air. Seven British aircraft are missing from these daylight operations.

Last night bombers flew through a severe thunderstorm and extensive rain clouds to western Germany, attacking industrial targets in the Aachen and Cologne areas.

Docks at Boulogne also were bombed. Three planes are missing from the night operations.—Reuter.

Soviet Speed Boats Break Up Convoy

Moscow, July 31.

Four Soviet torpedo-boats scattered an enemy convoy, escorted by destroyers and torpedo-boats, in the Baltic and sank a barge laden with tanks and infantry, reports the official Tass agency last night.

One Soviet vessel was damaged in the engagement, but others put up a smokescreen round her, beat off the enemy and escorted her to her base.—Reuter.

Planter's Will Provides For Fighter Planes

Wellington, N.Z., July 31.

In a codicil to a will disposing of his New Zealand estate valued at £50,000, a deceased Malay State rubber planter and tin-mine owner, Charles Alma Baker, who had previously given fighter aircraft to the R.A.F., directed the executors to continue meeting the cost of a fighter every three or four months.—Reuter.

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British in Rout Party of Italians

Cairo, July 31.

Tobruk garrison patrols were very active on Monday night. One routed a large party of Italians, over two miles from the British lines.

This news was given in a British G.H.Q. communique which states: "During the night of July 28/29, a fighting patrol operating from the eastern sector of the Tobruk defence attacked and put to flight a large party of Italians occupying an isolated defended locality over two miles distant from our lines.

"The enemy sustained many casualties and left one gun and 20 rifles in our hands.

"Although other patrols operating southward penetrated deep into enemy positions, they failed to make contact.

"In the frontier area one of our mechanized patrols succeeded in destroying considerable stocks of aviation spirit and oil on a hostile landing ground. Elsewhere in the frontier area, aggressive activity by our patrols has continued."

Six Nazi Planes Downed

A German dive-bombing attack on British shipping off the coast of Cyrenaica on Tuesday was driven off by R.A.F. fighters, which shot down six enemy planes, according to a R.A.F. Middle East communique.

A strong formation of Junker 87's, escorted by Messerschmitts made the attack. Four bombers and two fighters were brought down.

The communique also reports the dropping of some ten tons of bombs on the quay and shipping at Benghazi during the raid on Monday night by R.A.F. heavy bombers. Two R.A.F. planes are missing from latest operations.

Activity at Tobruk

"During yesterday afternoon, the enemy attacked one of our forward observation points outside the perimeter south-east of Tobruk: they were driven off by our artillery fire, leaving one wounded man in our hands," states today's communique.

"During the night, our patrolling activity was continued but no contact was made with the enemy.

"In the frontier area, an Italian fighter aircraft made a forced landing and the pilot surrendered to our troops.—Reuter.

Nazis Suffer Many Raids by R.A.F.

SPECIAL TO THE "N.C.D.N."

London, July 27.

The following interesting details of R.A.F. raids on Germany covering the period of six weeks up to the night of July 26 are taken from the table which the "Daily Express" Air Reporter prepares each Monday. Raids listed in the totals and not under the categories "Very heavy" or "Heavy" were on a smaller scale.

Town	Total	Very heavy	Heavy
Cologne	17	2	14
Bremen	12	3	9
Düsseldorf	11	0	8
Kiel	7	1	6
Munster	6	3	2
Frankfurt	5	1	4
Hanover	7	0	6
Mannheim	4	1	3
Duisburg	5	1	4
Edmen	7	0	1
Hamburg	4	2	1
Wilhelmshaven	7	0	2
Aachen	3	1	2
Osnabruck	3	1	2
Oldenburg	3	0	2
Bielefeld	3	0	2
Bremerhaven	3	0	1
Essen	1	1	0
Dortmund	1	1	0
Vegesack	1	1	0
Hamm	1	0	1
Krefeld	1	0	1
Leuna	1	0	1
Magdeburg	1	0	1
Munchen-Gladbach	1	0	1
Sylt	1	0	1
Rheine	1	0	1
Berlin	1	0	0

German General Killed

Berlin, July 31.

Official announcements yesterday revealed that Major-General Karl von Weber, 48, Commander of a German panzer division, was killed on July 20 while serving with his force on the eastern front.

Lieutenant Walter Frick, 27, son of the German Minister of Interior, Herr Wilhelm Frick, died from wounds incurred while fighting on the eastern front, it was stated.

It was also announced that Lieutenant Hans George Keitel, youngest son of Field Marshal Wilhelm Keitel, chief of the German Supreme Command, was killed on the eastern front. He was an officer of a regiment of artillery.—United Press.

Indian Army Casualties

Simla, July 29.

Indian Army casualties during campaigns in Africa, reported between December last year and July 8, totalled 6,427, of which 759 were killed, including 21 officers.

The remaining casualties include 40 prisoners of war, 1,261 missing, and 4,367 wounded.

The proportion of casualties to the total number of troops engaged in campaigns is stated to be "extremely low."—Reuter.

Queen Visits Supply Factory

Her Majesty the Queen at a Ministry of Supply Factory in London where girls are making tents, haversacks and other equipment for the army and navy. The queen is shown talking to Lourdes Montegriffo, the youngest refugee from Gibraltar, now working on tents for the Royal Air Force.

Russia and Poland Sign Pact

London, July 31.

RUSSIAN and Poland have agreed to bury the hatchet, and diplomatic relations will be resumed forthwith, writes Reuter's Diplomatic Correspondent. A general agreement between the two countries was signed yesterday afternoon.

The Soviet Government has agreed to grant immediate general amnesty to Poles in Russia with complete freedom of movement. This decision will affect some 500,000 civilian prisoners now in Soviet hands, as well as about 100,000 soldiers. It is expected that a large number will volunteer at once for service against the Germans.

As regards the treaties, the Soviet Government expressly declares the treaty concluded with the Germans in 1939 is to be null and void. This treaty, among other things, established the line of frontiers between German and Soviet Russia.

It marks a big step forwards towards post-war collaboration and is sign of confidence in the victory of the Allies.

Announced by Eden

Mr. Anthony Eden, Foreign Secretary, in announcing the Russo-Polish Agreement in the House of Commons, was greeted with loud cheers.

He said this historic event would lay a firm foundation for future Polish-Soviet collaboration in the war against the common enemy (cheers). It would therefore be a valuable contribution to the common cause (cheers), and would be warmly welcomed in all friendly countries, and not least among all countries of the British Empire (loud cheers).

Mr. Eden stated that after signature of the Agreement, he handed General Sikorski, Polish Premier, the following note:

Exchange of Notes

"On the occasion of the signature of the Polish-Soviet Agreement of today's date, I desire to take opportunity to inform you that in conformity with the provisions of the agreement of mutual assistance between the United Kingdom and Poland of August 25, 1939, the Government of the United Kingdom have entered into no undertaking with the Soviet Union which affect relations of that country and Poland. I also desire to assure you that the British Government do not recognize territorial changes effected in Poland since 1939."

General Sikorski handed Mr. Eden the following reply: "The Polish Government take notice of your Excellency's letter dated July 30, 1941, and desire to express sincere satisfaction at the statement that the British Government do not recognize any territorial changes which have been effected in Poland since August 1939. This corresponds with the view of the Polish Government which, as they previously informed the British Government have never recognized any territorial changes effected in Poland since the outbreak of the present war."

Cancels Agreement with Reich

Mr. Eden pointed out that the Polish-Soviet agreement stated that the Soviet Government recognized that the Soviet-German treaties of 1939, concerning territorial changes in Poland, had lost their validity.

Replying to supplementary questions, Mr. Eden said the exchange of notes which he had just read did not involve any guarantee of frontiers by the British Government.

Simplicity marked the signing of the agreement in the Foreign Secretary's room in the Foreign Office. The Prime Minister presided, with Mr. Eden on his right and General Sikorski next to Mr. Eden, while M. Maisky and M. Novikoff, Counsellor of the Soviet Embassy, were on the Prime Minister's left.

Hitler the Common Foe

It is emphasized in London that the agreement implies general recognition of the overriding common interest and the necessity of collaborating in the defeat of the Germans. This impotrant fact has been recognized both by the Poles and the Russians. It is pointed out that the Russians and Poles are both Britain's allies, and a Polish force is an integral part of the British forces.

Without this treaty it would be possible to visualize a situation in which an Anglo-Russian force collaborated in an operation, and the Poles might also be engaged in the operation without being allies of the Russians. That possibility is now definitely removed.

In congratulating the two parties Mr. Eden said he believed the agreement was fair and advantageous to both sides.

Turning Point

General Sikorski said they were at a turning point in history. Not all questions had been settled between Russia and Poland in the present agreement, but a basis was provided for useful collaboration. The future would depend on the goodwill of both sides. They possessed that goodwill.

M. Maisky said the peoples of the Soviet Union held very friendly feelings towards the people of Poland. They had a common enemy, namely Hitlerite Germany.

They would fight side by side against this common enemy and this would pave the way to a firm, solid friendship between the two peoples in the future, when the time came to build up a new Europe, after the war had been won, on the principle of self-determination of nations.

Defence of Human Rights

Mr. Churchill said this memorable episode marked the association of two historic nations of eastern Europe in defence of human rights. Here, as the result of the labours of the last few days, was a pact of friendship signed between the Russians and the Poles, whose long history has been chequered and darkened by their quarrels, whose future could be lightened by their comradeship.

The Prime Minister concluded by saying it was a sign and proof of the fact that hundreds of millions of men all over the world were coming together on the march against filthy gangster power, which must be effectively and finally destroyed.—Reuter.

Western Germany Again Raided

London, July 31.

Bombers of the R.A.F. last night again heavily attacked targets in western Germany, it is learned.

"There was very little enemy activity over Britain last night," states an Air Ministry communique this morning. Bombs fell at points in the east and the southwest, causing slight damage. No casualties have been reported.—Reuter.

Italian Prisoners to "Dig for Victory"

London, July 31.

Two thousand Italian war prisoners have arrived in Great Britain for work under the Ministry of Agriculture.

They will be employed on ditching, draining land, reclamation and general agricultural work.

Labour camps have been constructed in suitable rural areas.—Reuter.

The European War, August 1.

Counter-Attacks at Smolensk

London, Aug. 1.

FIFTEEN days after the Germans claimed to have occupied Smolensk, fighting continues with undiminished fury round that city, lending further weight to neutral reports and opinions that Red troops have thrown the Nazi war machine out of gear.

While there is no confirmation that a big-scale Soviet counter-offensive is under way, the series of blows which the Russians have been dealing the Germans—and which the latter admit—indicate that a decision at Smolensk may not be delayed much longer.

Observers gleaned almost as much information by reading between the lines of today's official communiques as from the scanty statements lacking specific claims contained therein. The daily announcement from the Soviet Information Bureau differed very little from yesterday except that it mentioned operations in the Baltic Sea.

Last night fighting continued in the Novorzhev, Smolensk and Zhitomir regions; in other sectors there were no major engagements, the communique says.

Air Attacks

Russian aircraft attacked mechanized units, infantry, artillery and automobile columns. Planes operating over the Baltic sank one vessel and inflicted considerable damaged on two others, the statement says in conclusion.

From the general tone of the announcements it seems evident that at the end of the sixth week of the struggle the Russians are holding off the Germans. Authoritative quarters in London take the view that the apparent quiescence may indicate the Germans are preparing for a renewed offensive.

Every time they are forced to reorganize to attempt a fresh drive they are confronted with increasing difficulties. It is estimated that they have hitherto used at least half their armoured divisions and suffered very heavy losses in men and material. At the same time they are farther from their lines of communications, and any new attack must logically be weaker than previous ones.

Counter-Attacks

An earlier Russian communique stated that Marshal Timoshenko's forces launched a fresh series of strong counter-attacks in the southern sector. It said that in particularly stubborn fighting the Germans were thrown back with severe losses.

Another official Russian announcement says that Smolensk has now resisted over 40 assaults. Russian statements lend no support to German claims of deep penetrations into the Ukraine.

In the north the German drive on Leningrad is apparently still held up. Russian forces are stated to be fighting just east of the Latvian frontier, 150 to 200 miles south of Leningrad.

The Moscow radio tells of a Russian unit left in the enemy's rear which marched more than 500 miles and operated for more than 30 days in forests, attacking the Germans wherever they could be found.

Little Damage in Raid

The official Russian news agency says that very little damage was done in last night's raid on Moscow. One of the surprises to neutral observers in the campaign hitherto has been the apparent absence of large-scale raids on the capital.

The British air attack on Kirkenes "caused a sensation in Berlin particularly because it was a combined Anglo-Russian operation. Russian bombers having participated in the mass attack," states the Berlin correspondent of "La Suisse," according to a message from Zurich.

He adds that the Germans admit that their encircling manoeuvre in the Smolensk sector has obliged them to fight in two directions against counter-attacks coming from both east and west.—Reuter.

German Claims

Berlin, Aug. 1.

The battle on the eastern front continues to progress favourably, the High Command announced today, but still continued to maintain silence regarding the extent of the German advance in any one sector.

One propaganda company reporter described an advance through the Valdai hills, about 80 miles south-east of Lake Ilmen, near the midway point of the Leningrad-Moscow railway, but there were no further indications of spearhead positions en route to Leningrad, Moscow or Kiev.

Neither were there any hints regarding when the central sector's battle of pockets might be announced as terminated.

Two reports from the Smolensk area indicated that the Russians were still offering strong resistance from within the pockets and there were no accounts of the battle east of Smolensk.

Nazi Taken by Surprise

A report from the Smolensk area said that on Wednesday German artillery batteries were surprised by Russian infantry attempting to break out of the German encirclement. The Germans, however, repulsed the Russians by resorting to the use of *rifles and side-arms and killing 300* Soviets.

Another description of a different break-through attempt by trapped Reds said that during a 35-minute battle German anti-aircraft guns destroyed 26 Soviet tanks supporting Russian infantry.

Soviets Said Hurled Back

Soviet infantry units attempting to break through the German cordon east of Smolensk on Wednesday were hurled back by German artillery fire according to reports published last night by D.N.B., official news agency.

During the course of the "large battle," the Luftwaffe battered Russian columns and destroyed 27 guns, 33 tanks and 140 trucks. The Luftwaffe simultaneously bombed fortifications, marching and motorized columns, troop concentrations, supply transports and railway facilities.

Simultaneously, German fighter planes and destroyer planes attacked a Soviet aerodrome east of Smolensk and without losing a single plane dropped "destructive sticks" of bombs on hundreds of Soviet planes grounded on the field, it was claimed.

D.N.B. reported that a Soviet infantry regiment surrounded west of Lake Peipus was completely annihilated on Wednesday when the Russians attempted to storm German defence positions after two previous attacks had failed.

The Red Air Fleet, according to D.N.B., lost 112 planes during fighting yesterday. Fifty-seven of the planes were shot down in aerial encounters while the remainder were destroyed on the ground.—United Press.

Nazis Admit Russian Campaign Slowed

Tokyo, Aug. 1.

A special "Nichi Nichi" despatch from Sofia reports that German military experts are *now of the opinion that:*

1. Operations against Soviet Russia will require three months instead of the scheduled two months.
2. The Ukraine harvest must be abandoned until next year,
3. Soviet resistance has forced Germany to add 50 divisions to the original 400, and,
4. Although the Luftwaffe has scored overwhelming victories, a considerable Soviet air force remains.—Reuter.

New U.S. Minister To Iceland Named

Washington, Aug. 1.

President Roosevelt yesterday nominated Mr. Lincoln MacVeagh to be United States Minister to Iceland and sent the nomination to the Senate for confirmation. Mr. Roosevelt's act fulfilled part of the agreement under which the United States assumed armed protection of Iceland.

Mr. MacVeagh was former United States Minister to Greece, and served as a captain and major in France during the World War.—United Press.

New Defence Board

Washington, Aug. 1.

President Roosevelt has created a board to guide the general activities of Federal agencies in economic defence; with the Vice-President Mr. Henry Wallace as its head.

Other members are the Secretaries of State, Treasury, War, Navy, Agriculture, Commerce, and the Attorney-General.

Duties of the board will also include the advising of the President on economic defence measures to be taken, or functions to be performed which are essential for the effective defence of the nation.

The Board will also advise the President on steps to be taken to protect the trade position of the United States and to expedite the establishment of sound peacetime international relationships.—Reuter.

Food Parcels to British Prisoners Increased

Ottawa, July 31.

The Canadian Red Cross is immediately increasing its weekly food parcel shipments for British prisoners of war from 10,000 to 30,000.

Each parcel will contain 16 food items.—Reuter.

Polish Ministers Resign

London, Aug. 1.

The Foreign Minister, M. Zaleski, and two other Polish Ministers have resigned from the Polish Government in London following the signature of the Soviet-Polish pact.—Reuter.

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FOREIGN TELEGRAMS (continued)

Hitler Will Lose, Says Hopkins

Moscow, Aug. 1.

Mr. Harry Hopkins, President Roosevelt's personal envoy and co-ordinator of the aid-Britain and United States defence programme, told the United Press last night that his short visit here "has added to my confidence that Chancellor Adolf Hitler will lose."

Mr. Hopkins held a second conference with M. Joseph Stalin during the night. They were closeted alone for three hours at the Kremlin with only interpreters present. The United States Ambassador, Mr. Laurence Steinhardt, and other United States officials and high Russian officials were not present, although they attended the first conference.—United Press.

Discussions in Progress

London, Aug. 1.

Discussions regarding United States aid to the Soviet Union were held both in Washington and Moscow yesterday.

Reuters Moscow correspondent cables tonight that Mr. Harry Hopkins, President Roosevelt's personal envoy, again saw Stalin last night after meeting M. Molotov, the Foreign Commissar, in the afternoon.

Mr. Hopkins was entertained to lunch by the British Ambassador, Sir Stafford Cripps, at which the American Ambassador, Mr. Laurence Steinhardt, was present.

In Washington, the Soviet Ambassador, M. Oumansky, General Golikov, head of the Soviet Purchasing Mission, and Colonel Repin, his assistant, visited President Roosevelt at the White House to discuss American aid to Russia.—Reuter.

Arranging Loan

Washington, Aug. 1.

Mr. William S. Knudsen, co-chairman of the National Defence Board, yesterday said that he understood from reliable reports that Mr. Harry Hopkins, coordinator of the United States aid programme, was in Moscow to arrange details of an American loan to Russia.

The loan would be made under the U.S.$7,000,000,000 lend-lease programme.—United Press.

Welcomed in Mocow

Moscow, Aug. 1.

The Russian press yesterday devoted its main news columns to the arrival of Mr. Harry Hopkins, American aid coordinator, utilizing photographs of his meeting with Mr. Joseph Stalin and statements that President Roosevelt had pledged immediate aid to Russia.

Mr. Hopkins experienced his first night raid on Wednesday in Moscow and watched anti-aircraft batteries and searchlights in action from the roof of the American Embassy. He passed part of the time in the Embassy shelter but returned to bed before the all clear was sounded.

Yesterday morning he was accompanied by Mr. Lawrence Steinhardt, American Ambassador, on a tour of Moscow and said he was amazed by the insignificance of the damage caused by the Luftwaffe.—United Press.

Flight Said Significant

Washington, Aug. 1.

Experts on Soviet Russian affairs declared yesterday that the flight to Moscow by Mr. Harry Hopkins, co-ordinator of American Lend-and-Lease aid to Britain, aboard a long-range bomber was likely to prove highly significant concerning future collaboration among the United States, Britain and Soviet Russia because it proved that bombers can be flown easily from England to Moscow.

These experts said that if a single bomber carrying Mr. Hopkins could make the trip, scores of bombers could be flown over a similar route to strengthen Russian aerial defences.

It was pointed out that if a considerable number of these craft were placed in Russian hands and operated by the British pilots from the Russian side, Germany would suffer from aerial attacks on both flanks.—United Press.

May Return Via China

London, July 31.

It was reliably learned that Mr. Harry Hopkins, personal envoy of President Roosevelt, might return to the United States by some other route than London.

It was indicated that Mr. Hopkins, who is at present in Moscow, might return via the Far East, possibly visiting Chungking.—Domei.

German Representation Rejected by Argentine

Buenos Aires, Aug. 1.

The Argentine Foreign Office last night rejected the contention of the German Ambassador regarding the seizure of parcels from diplomatic bags.

It informed the Ambassador that a wireless set is not permissible as diplomatic baggage and pointed out that an international convention prohibits belligerent Powers from having wireless stations in a neutral country. The Ambassador is therefore requested to destroy the set or send it from the country.—Reuter.

Egyptian Cabinet Reformed

Cairo, Aug. 1.

Following the sudden resignation of the Egyptian Cabinet last night, after which Sirry Pasha, the Prime Minister, was commissioned to reform the Cabinet on a broader basis, it is announced here that the new Cabinet has been completed.

It will consist of five Liberals, five Independents, and five Saadists, thus giving the Government a strong majority in Parliament.

The Government is constituted as follows:

Prime Minister, and Minister of Interior:—Hussein Sirry Pasha.
Minister of Justice:—Mahmoud Ghales Pasha.
Minister of Foreign Affairs:—Salib Sahem Pasha.
Minister of Education:—Hussein Hikel Pasha.
Minister of Wakfs:—Sheik Abdel Razel Pasha.
Minister of Finance:—Abdel Hamid Badawy Pasha.
Minister of National Defence:—Hassan Sadek Pasha.
Minister of Passive Defence:—Abdel Kawi Ahmed Pasha.
Minister of Public Works:—Ibahim Abdel Hadi Bey.
Minister of Public Health:—Dr. Hamed Mahmoud.
Minister of Social Affairs:—Dessouki Abaza Bey.
Minister of Agriculture:—Ragheb Attiya Bey.
Minister of Supplies:—Hemed Guda Bey.
Ministry of Industry:—Dr. Abdul Rahman Omar.

Rift Ends

The following Ministers held the same office in the previous Cabinet: Foreign Affairs, Education, Wakfs, Finance, National Defence and Social Affairs.

The new appointments mark the end of a rift on internal matters between the Cabinet and the Saadist Party, whose members withdrew from the Cabinet last November.

The newly-created Ministry of Passive Defence will deal with air raid precautions, to which the Government is devoting considerable attention.—Reuter.

Further Patrol Activity at Tobruk

Cairo, Aug. 1.

Patrol activity at Tobruk and artillery activity on the frontier was recorded in a brief Middle East Communique today which states:—

"Libya: Tobruk—Our patrols again penetrated deeply into enemy lines during the night of July 30/31. Contact with the enemy was not made, but all patrols procured valuable information.

"A daylight patrol operating yesterday with great skill stalked and captured prisoners of war.

"In the frontier area our artillery engaged and inflicted casualties upon working parties and mechanical transport in the Halfaya area."—Reuter.

U.S. Approves Soviet-Polish Pact

Washington, Aug. 1.

Mr. Sumner Welles, Under-secretary of State, indicated yesterday that signature of the Russo-Polish pact pledging joint operations against Germany and providing for a solution of their territorial problems was highly gratifying to the United States because it appeared to be in line with United States policy of not recognizing territory taken by conquest.—United Press.

R.A.F. Raids Base In Sardinia

Cairo, Aug. 1.

The Italian aerodrome and seaplane base at Elmas in Sardinia, were attacked for the first time by the R.A.F. on Wednesday. Considerable destruction was caused among enemy aircraft.

Five bombers and seaplanes were burned out and a number of others heavily damaged. The R.A.F. planes sprayed the interiors of hangars with their guns, riddling many planes with bullets.

The crew of a heavy gun which went into action were machine-gunned and apparently all killed, while Macchi fighters which attempted to intercept were driven off.—Reuter.

Very Slight German Activity

London, Aug. 1.

Only a very small number of enemy aircraft attempted to cross the British coast last night, says this morning's communique. A few bombs, which are reported to have been dropped in east and south-west England, caused neither damage nor casualties.—Reuter.

What British Bombers Are Doing

A German transport is seen under water after a visit by British bombers to Bergen, Norway. The picture was taken at the Norwegian America Line's pier in that port. Three days before this picture was taken the R.A.F. bombed and sank another German supply ship on the other side of the pier.

The European War, August 2.

Soviets Rout Nazi Division

London, Aug. 2.

SOVIET troops have routed the 13th German infantry division in the Smolensk area, states today's Soviet communique deviating slightly from the sameness of previous announcements.

Fighting continued last night in the Smolensk, Novorzhev, Nevel and Zhitomir area, it adds. Elsewhere there were no major operations. Russian aircraft continued to attack German columns.—Reuter.

There is no news in London of any German progress on the Russian front, but the Nazis claim that the struggle is going favourably for them and it is possible that they are making a certain amount of limited progress, well-informed quarters state.

Generally speaking it would appear that the German advance has been halted. The Russians are carrying out a large number of counter-attacks, some of which have been extremely successful. These are only local movements, but they may be forerunners of a large counter-offensive. Severe fighting is going on, but it will take some weeks before any large offensive can be staged, informed quarters believe.

Rout of Germans

In a further announcement concerning the rout of a German division the Russians state that the Germans, to support retreating units, rushed up the 137th division, which had entered the battle straight from a march. Without giving the division time to deploy a Soviet detachment struck it from the flank. Other Red army detachments promptly surrounded the division and Soviet artillery opened intensive fire.

After artillery preparation Soviet troops moved in. Artillery killed hundreds of Germans, one gunner destroying 50 men single-handedly, according to the statement. The Germans broke through the encircling ring, but were met by a tank unit and thrown back. After fierce fighting the Germans were unable to resist any longer, and were dispersed, throwing away their arms, and ammunition, and leaving many killed and wounded.

Germans who tried to hide in a forest found their retreat cut off and were overwhelmed with blasts from Red guns. More than 400 German officers and men were killed or wounded and 1,000 prisoners were taken in this area, the announcement further claims.—Reuter.

Regiment Wiped Out

Moscow, Aug. 2.

The complete destruction of a German regiment, which left 500 killed on the battlefield, and the smashing up of a German convoy in the Baltic, were the highlights of a Soviet communique issued by the Soviet Information Bureau, which indicated that there had been no change of importance along the front during the past 24 hours.

Fighting, according to the communique, raged all day yesterday in the Porkov, Nevel, Smolensk and Zhitomir sectors, and there were "no substantial changes in the position of troops at the front."

Blows to Germans

It continues: "The Soviet air force dealt blows to motorized troops, infantry and aircraft on aerodromes.

"In the Baltic Sea, our air force sank an enemy patrol ship and a tanker of 5,000 tons. Four enemy ships were heavily damaged. In the course of July 31, 15 German planes were brought down in air combats. We lost seven planes.

"A formation commanded by Tkachenko completely smashed a German regiment. Some 500 killed Germans remained on the battlefield. We captured prisoners, six tanks, two armoured cars, nine guns, eight machine-guns, eight lorries with shells, 18 cars, 50 bicycles and other trophies."

Developments in Situation

BY REUTERS SPECIAL CORRESPONDENT

While fierce battles continue to rage in western Russia, developments vitally important to the progress of the war have taken place in the international field in the past few days. These developments are regarded here as significant indications of future Russian international policy.

The foreign policy of the Soviet Government has been one of bold, startling strokes, of which the latest and most striking is the agreement with Poland. To regard the signing of this agreement as mere opportunism dictated by a desire not to offend Britain would be a mistake.

General Policy

Like the agreements with Yugoslavia and the Czechs it fits in with the general line of policy of the Soviet Government adapted to war and post-war conditions and originating, as the newspaper "Pravda" says, from the Soviet-British agreement. Generally speaking since the German attack, Russia has returned to the idea of an anti-Fascist aggression front. Years ago this line of policy was one very dear to M. Stalin's heart and it has already been manifested in the Soviet Government's adherence to the League of Nations.

Its present development, as signified by the signing of the recent series of agreements with the governments of countries which have fallen victims to Nazi aggression, implies an important Russian contribution to the establishment of orderly relationship among the nations of Europe.

Necessary Step

It is freely admitted here that the so-called partition of Poland in 1939 was merely necessary to prevent Germany from approaching even closer to Russia's vital areas'—a policy which events of the past six weeks, it is argued, have justified, since the Baltic states and Russian-occupied Poland absorbed the initial shock of the German onslaught.

Although the agreement with Poland does not settle territorial problems, which raise many arguments on both sides, articles in the "Pravda" and other newspapers are highly significant. These articles welcome restoration of Poland's creative powers after untold sufferings and the prospects of her regaining her sovereignty and independence.

Bulwark Against Nazis

Russia sees her role as that of guide and bulwark of Slavdom against renewed German aggression, a role which the Russians know will certainly be popular among the Slav peoples after their appaling persecutions at Nazi hands.

The arrival of Mr. Harry Hopkins has caused the greatest satisfaction and has still further increased Russian confidence in a gigantic anti-Hitler front. Mr. Hopkins' attitude, like Mr. Churchill's, is exactly what the Russians would have welcomed in 1935. Then it would probably have prevented the war; now it will help win the war. The Russians are greatly impressed by Mr. Hopkins' lack of haggling and the straightness of his statement, "What do you want urgently? You will get it."

Pride in Army

Russia's immense pride in the army's achievements does not blind the people to the fact that the German war machine is formidable, with reserves of equipment greater than those of the Red army, and that complete and unremitting effort by the entire anti-German front is essential.

Russia's own effort is well summed up in the slogan seen everywhere: "Everything first for the army." This is not just words. It is the case everywhere. Factories, fields and transport concerns all say, "it is for our soldiers." The army has priority everywhere. The war effort is absorbing all the nation's energies.—Reuter.

Attempted Raid on Moscow Fails

Moscow, Aug. 2.

Some formations of German planes attempted to raid Moscow last night, but deadly anti-aircraft fire and fine defensive work by night fighters dispersed the Nazi craft, it was officially announced today.

The German planes thus were prevented from reaching the capital, the official announcement reported.—United Press.

Roosevelt Lauds Soviet Resistance

Washington, Aug. 2.

President Roosevelt, at a press conference yesterday, said that Russia's "magnificent" resistance has been a complete surprise to German military leaders.

Allowing himself to be quoted directly, President Roosevelt said that Russia's resistance was "magnificent and frankly better than any military expert in Germany thought it could be."

Evaded Oil Embargo

The Chief Executive, questioned on other subjects, said that he had not heard of any projected blacklist for Japan and evaded questions regarding a possible embargo on oil shipments. He referred questioners to the Treasury and State departments.

Asked whether his statement regarding Russia and referring to "Germany's outstanding military expert" meant a direct reference to Chancellor Adolf Hitler, President Roosevelt replied that the reporter who asked the question was threatening to spoil the story.

Russia to Pay

President Roosevelt emphasized that United States aid to Russia would be strictly on a payment basis and that he saw no prospect of the U.S.S.R. receiving aid under the Lend-Lease act.

The U.S.S.R. thus far had not come under the Lend-Lease category simply because it has money to pay for the aid it seeks, said the Chief Executive.

President Roosevelt then said he had not looked into the question as to whether the U.S.S.R. could qualify for aid under the Lend-Lease Bill.

Priority Being Studied

Other sources here, however, disclosed that the Administration was studying a plan to give the Soviets priority on deliveries of certain types of ammunitions originally ordered for the United States and Britain.

The President, under questioning, did not deny the possibility that Mr. Hopkins, co-ordinator of the United States aid programme, flew to Moscow from London in an American aeroplane.

No Communication

President Roosevelt said he had had virtually no communication from Mr. Hopkins since the latter arrived in Moscow. He also said he had no idea whether Mr. Hopkins planned to return to the United States via China.

The Chief Executive said he would not send to Congress a second request for lend-lease appropriations until Mr. Hopkins returns to Washington.

The President also said that he plans to take a vacation cruise in New England next week. He said that the vacation did not imply the international situation was either better or worse and that he expected to maintain close contact with Washington throughout the cruise.—United Press.

California Produces 1,476 Planes in June

Los Angeles, Aug. 2.

The Los Angeles Aeronautical Chamber of Commerce yesterday reported a record production of 1,476 warplanes in June. The figure brought production for the first six months of 1941 to 7,423 planes or more than the entire volume of 1940. Hundreds of the planes were being flown to the east coast for delivery to Britain, the Chamber said, and many also were being sent to Singapore.—United Press.

Few Bombs on Britain

London, Aug. 2.

Only a very few enemy aircraft crossed the coasts last night and a few bombs dropped at points in southwest England and Scotland caused no damage or casualties, states an Air Ministry communique.—Reuter.

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Further Canadian Division Arrives

London, Aug. 2.

The Third Canadian Division, commanded by Major-General C. B. Price, has just arrived in Britain.

Besides thousands of soldiers, the large convoy also brought hundreds of United States technicians, and several hundred airmen trained in Canada.

Given Big Welcome

They were welcomed by Capt. Margesson, Secretary of State for War, the Rt. Hon. Vincent Massey, Canadian High Commissioner, Lieut-General Sir Henry Pownall, Vice-Chief of the Imperial General Staff, and Rear-Admiral Sir Arthur Bromley, representing the Dominions Office.

Men of a French-Canadian regiment, among the new arrivals, were delighted to find that Capt. Margesson and Mr. Massey both spoke fluent French.

Before leaving the ship they listened to soldiers singing a favourite French-Canadian song.

Promise Implemented

The arrival of these thousands of fresh troops implements the promise made by Mr. Mackenzie King, the Prime Minister of Canada, in a recent broadcast, when he said that during the year Canada could dispatch to Britain a third infantry division, an armoured division, and many reinforcements, equipped and maintained at Canada's own expense.

Major-General Price won his commission in the field during the Great War.

A year ago, when invasion seemed imminent, and Canadian troops stood between Hitler and London, General Price commanded an infantry brigade of the First Division.

Large Convoy Crosses Safely

An Atlantic convoy made history with its arrival in Britain, it is learned here, when one of the largest convoys to cross that ocean arrived yesterday.

It brought large supplies of ammunition and other war materials from Canada and the United States.

More American Fighters

Personnel carried included more Americans to join the Eagle Fighter Squadron, and nurses and doctors from the United States and Canada to do hospital and first-aid work in Britain.

More lumberjacks arrived from Nova Scotia to join their mates already in Scotland.

Much food was also brought.

The only excitement during the voyage, said a member of the crew of one ship, was when escorting warships "chased around dropping depth charges."—Reuter.

Big Increase in U.S. Ship Construction

London, July 31.

"Impressive increases are noted in current ship construction in North America as compared with the volume reported a year ago," states the "Seattle Times." "For instance, 836 ships with a total of 5,350,000 gross tons were on the ways or under contract in American shipyards on June 1, 1941, as compared with 287 vessels of 1,528,260 gross tons on July 1, 1940."—Reuter.

Trap for Nazis in Western Desert

The Nazis have suffered heavily in the war in the Western Desert—a type of warfare with which they are not familiar. The picture shows British troops laying a minefield in one of the forward positions, in the hope that indiscreet mechanized forces will drive into it.

Secrets of American Flying Fortresses Revealed in London

By Wing Commander L. V. Frazer
Special to the "N.C.D.N."

London, Aug. 1.

A LONG while ago Goebbels said this war would be fought with "fantasy." That has come true in a sense which he could hardly have expected. In a great daylight attack by the bomber command on July 24 against the battleships Scharnhorst and Gneisenau, new and fantastic elements were introduced into aerial warfare. Brest, when the attack opened, was quiet, the sky was clear, sea calm and blue. The crew of the Gneisenau might well have been taking it "easy" after lunch.

Suddenly from the clear sky with no sign of aircraft overhead, they heard the rising scream of huge bombs falling in a geometrically exact curve. They could not have known, but those bombs came from American-built Fortresses on their first raid on Hitler's skulking fleet. They are the spearhead of the most powerful daylight attack the bomber command has yet launched against the enemy.

The exploit of the fortresses flying much over the height of Mount Everest in thin air and chilling cold must capture the imagination of all who read it. Almost every detail of their flight in a region which no man has ever previously entered in battle is strange and unexpected. The crews were in Arctic cold with midsummer directly below.

Frost and rime had crystallized on the window of the bombers so thickly that the front perspex had to be kept open to enable the pilot to see ahead. The crew sweated in summer heat when they took off but the sweat was frozen before they reached the top of their climb.

Seeing Earth's Actual Curve

Men at times could see the earth's actual curve, the sea and sky below them were of an unnatural intense blue while over there was almost twilight sky.

Through the telescopic bombsight the bomb-aimer saw the Gneisenau clearly below its camouflage netting. With the American bombsight extreme accuracy can be obtained even from such prodigious heights. On trials from an equal height it has been proved that bombing errors are minute. Bombs dropped from such height are all the deadlier against an armoured target. Their acceleration may be judged from the following examples.

Meticulous Exact-Statistics

When average bombs have fallen 5,000 feet it will have been in the air 17½ secs. When it has fallen 15,000 feet it will have been in the air 31½ secs., but when it has fallen 50,000 feet it will only have been travelling about 40 sec.

It will then be travelling at 600 and 700 m.p.h., approximately the speed of sound. Its penetrating power will be increased proportionately until it becomes almost as deadly as a shell from the largest naval gun.

Overcharging of Fortress engines is one of the most remarkable achievements of modern engineering. The fortresses turbo-superchargers are driven by exhausted gases at so high a temperature that very few metals can stand up to them.

Great Skill in Manufacture

Great skill has been used both in handling and manufacture of such mechanism as bomb releases and guns, for in this intense cold there is great risk of oil congealing and machinery becoming unworkable. The Fortress has so complex a panel of instruments and so many controls that no brain can manage them in flight. The captain and second pilot must work together.

When the time comes for bombing, the observer bomb-aimer takes control of the aircraft as he starts to operate the bombsights. The whole crew must have as much training and skill as the crew of a submarine and must learn to work under as unnatural conditions.

Their lot is much like that of men who go under the sea. Like deep-sea divers when they rise too quickly to the surface, crews above 30,000 feet run the risk that bubbles of nitrogen in the body may expand too quickly and cause serious even fatal harm.

Chosen for Physical Fitness

Men are chosen for their physical fitness and then put through a long course in a pressure chamber so that they may gradually be accustomed to the work they will have to do.

Flying at a great speed which is possible in substratosphere of high-altitude bombers, may soon become the most valuable ally of the great striking force which the R.A.F. is mustering to despatch to the heart of Germany.

Mr. Churchill has asked President Roosevelt to give him tools with which Britain can finish the job. Ask the crews of the Fortress what they themselves think of this particular tool. They will tell you as they told me, there has never been anything like it.

R.A.F. Attacks Enemy Convoy

London, Aug. 2.

"IN daylight yesterday Blenheim aircraft, escorted by fighters, attacked enemy vessels in convoy off the Belgian coast," says an Air Ministry communique issued yesterday evening.

"Bombs were seen to straddle two ships and later, a ship of about 2,000 tons was seen to be burning and in a sinking condition. Two bombers and one fighter are missing."—Reuter.

R.A.F. Attacks Messina

Cairo, Aug. 2.

A bomber attack on shipping in the harbour at Messina in Sicily on Thursday is the chief feature of the R.A.F. communique.

The attack is described as "successful," but no details are given.

The communique also records an attack by heavy bombers on the harbour at Benghazi during the night of July 30/31, which caused several fires, one of which was visible 50 miles away. Other aircraft bombed Bardia, where large explosions were observed among military huts.

At Duara, in Tripolitania, British aircraft machine-gunned a number of Savoia bombers on the ground on Thursday, destroying one of them by fire and damaging a number of others.

From these operations, the communique adds, 'all British aircraft returned safely to their bases.—Reuter.

German Claims Refuted

London, Aug. 2.

While yesterday's German communique claimed that the ports of Great Yarmouth and Plymouth were attacked on Thursday night, it is authoritatively stated in London that actually not a single bomb was dropped within 40 miles of these two places.

Indeed, very few enemy aircraft were reported.

Not a single casualty was caused and the only damage was the severance of a few telephone wires.—Reuter.

Bombs Dropped in Nile Delta

Cairo, Aug. 2.

A few bombs were dropped in the Nile Delta on Thursday night, but without causing any damage, says a communique issued yesterday by the Egyptian Ministry of the Interior.

The communique says: "Alarms were sounded in Cairo, Alexandria and several provinces last night. A few bombs are reported to have been dropped in the Delta, causing two casualties, including one which proved fatal, but no damage was caused."—Reuter.

The European War, August 3.

R.A.F. Heavily Raids Berlin

London, Aug. 3.

CONTINUING their offensive against Germany, aircraft of the R.A.F. Bomber Command last night subjected Berlin to one of the heaviest attacks yet made on the German capital. Many large fires were caused. Heavy raids were also carried out on docks at Hamburg and Kiel, and here, too, great damage was caused, according to the latest Air Ministry communique. Four British machines are missing from these operations.

An earlier communique revealed that bombs were dropped on docks at Kiel during reconnaissance by a Flying Fortress of the Bomber Command yesterday afternoon.

Blenhems of the same command attacked an enemy patrol ship off the Dutch coast and a gun emplacement on the island of Ameland. Direct hits were obtained on both objectives, and the ship was left on fire and sinking.

R.A.F. fighters carried out many offensive patrols over northern France yesterday. Low-level attacks were made with cannon and machine-gun fire on a number of objectives, including enemy troops, aerodromes and aircraft, and on E-boats near the coast.

British fighters destroyed a second enemy bomber off the east coast last night. From all these operations, one British aircraft, a Blenheim bomber is missing.

Fighters Destroyed

It is now known that two more enemy fighters were destroyed during offensive operations over nothern France on July 23.

British planes last night flew over western and northern Germany, according to the German radio. A few planes, it stated, reached Berlin and dropped a small number of bombs exclusively in the outskirts of residential quarters, destroying some dwelling houses. There were some dead and wounded among the civilian population. According to reports so far available, three attacking planes were shot down, including one in the immediate vicinity of Berlin, it is claimed. There was no damage of military importance, the German announcer added.

The bombs dropped on Kiel from the Flying Fortress fell out of the blue, evidently without warning, for neither fighters nor anti-aircraft guns answered the attack, says the Air Ministry News Service. There were no clouds over Kiel although over the North Sea the Fortress flew over banks of clouds with only an occasional glimpse of the water below. "We could see the entire length of the Kiel Canal from Brunsbuettel in the west to Kiel itself at the other end," the pilot recounted. "We could watch the bombs going down for ten seconds after leaving the racks, but when they burst our great height made them appear only as grey puffs of smoke welling up."

No Nazi Planes Over Britain

No enemy aircraft flew over Great Britain yesterday. There was some air activity off the East Coast, in the course of which one enemy bomber was shot down into the sea by air fighters, says an Air Ministry communique.

A heavily laden German tanker of about 2,000 tons was attacked yesterday afternoon by Beaufort aircraft of the Coastal Command off Ostend. The tanker, hit by a torpedo, burst into flames. Within a few minutes its deck was awash, and it sank rapidly. One British aircraft is missing.—Reuter.

Germans Raid Alexandria

Cairo, Aug. 3.

Two persons were killed and 15 others injured when Axis bombers raided Britain's great naval base at Alexandria on Friday night, official communiques said yesterday. A few bombs caused slight damage to property.—United Press.

Slight Activity Over Britain

London, Aug. 3.

There was little enemy activity over Britain during the night, states an Air Ministry communique. Some bombs were dropped in eastern England and at one point in the south. Only slight damage was caused and no casualties are reported.—Reuter.

Free Greece Resumes Relations With Russia

Istanbul, Aug. 3.

The Greek Government of M. Emmanuel Tsouderos, in line with other Allied Governments who decided to re-establish diplomatic relations with the Soviets, is sending a diplomatic mission to Moscow, which will leave Istanbul shortly.—Reuter.

New Zealand's War Effort

Wellington, Aug. 3.

There are 200,000 women taking part in New Zealand's war effort. This number does not include primary producers and workers in war industries.

Half the total number of men are either on active service or being trained to serve with armed forces, the majority having been enrolled in expeditionary forces for the Middle East and elsewhere.

Seventy-three thousand have received military training, and instructional classes have been provided for the 7,000 officers and other ranks in army schools.

The New Zealand Minister for Defence, Mr. F. Jones, in revealing these details, expressed his belief that New Zealand is doing as much, if not more, than other countries of the Empire.

Personnel Trebled

The personnel of the Navy has more than trebled since the outbreak of war and the Army is larger than the first expeditionary force at the same time in the Great War. The air force, which is virtually a new unit, is now well over 11 times greater than at the beginning of the present conflict. It has already won 100 decorations for brilliant and daring service and devotion to duty against the enemy. The number of awards represents a high precentage, probably unexcelled by any other country.

The eagerness for service is still maintained and voluntary enlistments total over 30,000. Applicants reach a high standard of physical fitness and education.

The development of air training has been one of the most prominent features of the Dominions war effort, and the output of trained airmen will be maintained indefinitely to full capacity because of youthful enthusiasm for air service.

Thousands of youths, who believed they had finished with school lessons, *have taken advantage of the educational scheme*, which is the first of its kind in the Empire, and are now devoting their leisure hours to gaining proficiency in flying and airforce work.—Reuter.

Anglo-Finish Diplomatic Relations

London, Aug. 2.

Anglo-Finnish diplomatic relations have been broken off. The Foreign Office, in announcing this yesterday evening, stated, "The Finnish Minister, M. Grippenberg, was received at the Foreign Office by Mr. Anthony Eden, Foreign Secretary, and acting on instructions from his Government broke off diplomatic relations between Finland and Britain. In consequence of this action instructions have been sent to Mr. Gordon Vereker, British Minister at Helsinki, to ask for his passports."

Information has been received in London that the Finnish Government asked the Swedish Government whether it will undertake the protection of Finnish interests in Great Britain.

According to information from Nazi sources, the Finnish legation in London may be transferred to Dublin.

No information of this report has yet been received in Finnish quarters in London, but it is felt in the circumstances that such an arrangement would afford a welcome solution to the many practical difficulties that will obviously arise with a break in relations.—Reuter.

Occupied Territory

London, Aug. 2.

The Board of Trade and Ministry of Economic Warfare announce that Finland is to be regarded as enemy-occupied territory under the Trading with the Enemy Act and for the purpose of economic warfare.

Moreover from today Finland is regarded as an enemy destination for contraband purposes and all cargoes originating or owned in that territory will be liable to seizure.—Reuter.

List Said in Athens

Ankara, Aug. 3.

Field-Marshal List, the German *Blitzkrieg* chief who commanded the German armies in the Balkan campaign, is reported to be in Athens conferring with General Geloso, commander of the Italian army of occupation, on defence measures.

It was earlier reported that Field-Marshal List was visiting Bulgaria and Yugoslavia.

Yugoslav peasants are setting fire to their crops in the Banat, according to reports reaching Ankara. Executions by the Hungarians are said to have failed to stop their resistance.—Reuter.

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FOREIGN TELEGRAMS (continued)

New German Drive Imminent

London, Aug. 3.

THE beginning of the seventh week in the German campaign against Russia suggests what appears to be a new German drive to Kiev in the Ukraine, but with the Russians firmly holding the German drives on Leningrad and Moscow. Two new names are mentioned in the latest Russian communique, both of them in the Kiev sector. The first is Korosten, 85 miles north-west of the Ukrainian capital, but no nearer to it then Zhitomir, where the Germans have now been held up for so many days. The second place is Belaya Tserkov, about 45 miles south-west of Kiev, and it is from here that the most serious threat to the city appears to be developing.

In all other parts of the front, except Estonia, where fighting continues, the Russians say that there have been no significant changes in the position.

A communique issued by the German High Command today claims that "during the destruction of enemy units west of Lake Peipus about 10,000 men were taken prisoner and numerous tanks, guns and other war material captured. On other parts of the eastern front today, operations proceeded successfully. Strong bomber formations last night effectively bombed military installations in Moscow."

Unsuccessful Raid

The Russians state that only a few lone German machines penetrated the defences of the capital and that no military damage was done.

The latest communique issued by the Soviet Information Board this morning states:—

"During the night of August 2, Soviet troops continued to fight the enemy in the direction of Smolensk, Korosten and Belaya Tserkov and on the Estonian sector of the front. On the remaining sectors of the front, there were no significant changes in the positions of our troops. Our air force in co-operation with the land forces, continued to deal blows at enemy mechanized units of infantry and artillery."

"Complete Chaos"

"Complete chaos" is the description applied to the position behind the German advance in Russia by competent military observers in Ankara, who point out that German claims of encirclement have been shown up by the fact that one large Russian unit which had been cut off by the German advance for 23 days rejoined the main body after a long march, having been in constant touch with its headquarters by radio, and received supplies by air.

It is learned in Ankara that German infantry which were following up the advance are now being attacked by Russian tanks which lay concealed in woods while the German advance units rushed past them. The Germans were unable to recall their tanks to deal with the Russians owing to a shortage of petrol, which is being supplied to advanced units by air in small quantities.

Rumanians Restless

The Rumanians, it is stated in Ankara, are restless and do not want to fight on after the occupation of Bessarabia. They are also bitter that they are bearing the brunt of the fighting while the Hungarians remain inactive. The Rumanians, it is said, are afraid to disobey German orders lest the Germans further Hungarian revisionist claims, but at the same time are horrified to see the Rumanian army slaughtered while the Hungarians are untouched. Fear among Rumanians is growing that perhaps the country backed the wrong horse in attacking Russia.

The Germans claim to have 70 fresh divisions which can be flung into the battle on the eastern front, but experts in the Turkish capital think that these are really tired troops which were withdrawn from the line on July 14.

Division Routed

The rout of a considerable part of the 253rd German infantry division, following a vigorous Soviet counterattack, was announced from Moscow last night. This followed an announcement earlier in the day that another German infantry division—the 137th—had been routed in the Smolensk sector, where determined Russian counter-attacks are holding up the German advance on Moscow which, according to German calculations at the outset of the campaign, should have been entered by a victorious German army yesterday.

The sector where the 253rd German division was defeated by the Russians is not revealed, but a Soviet agency despatch from the front states that heavy fighting had been in progress near the town "V" for four days and nights, and that the Germans had concentrated vast reserves in an attempt to break Soviet resistance under General Yakovlev. The battlefield was littered with German dead, of whom 2,250 were counted, and a large number of prisoners were taken together with much booty, adds the report.

Practically No Advance

Yesterday marked the end of the sixth week of fighting, and the Germans had claimed practically no substantial advance during the past seven days on the whole front, from Lake Ladoga to the Black Sea.

The midday Soviet communique, with one exception, mentions the same battle areas as those last Saturday, stating that during the night of Aug. 1 fighting continued in the directions of Novorzhev, Nevel, Smolensk and Zhitomir.

The Soviet communique a week ago announced that stubborn fighting continued in the directions at Polotsk, Nevel, Smolensk and Zhitomir. Novorzhev, mentioned for the first time this week, is about 50 miles north of Nevel, about 100 miles due south of Porkhov, where the German drive on Leningrad is apparently held up, and some 25 miles north-east of Politsk.

The German High Command, after day by day reports of "favourable progress," yesterday made more specific claims and announced that in the Ukraine German troops had struck "deep into the retreating armies."

Fighting Around Kiev

Berlin also stated that in an area 150 miles south of Kiev a further great battle of annihilation was in progress and that Soviet divisions encircled east of Smolensk had been "further compressed."

The official German News Agency late last night claimed that the Russian counter-attack in the central (Smolensk) front had failed, and that the Russians had suffered heavy losses.

The Soviet air force continues to give powerful support to land forces, and is also attacking German shipping in the Baltic. One of the latest successes announced is the sinking of a German patrol ship and a 5,000-ton merchant ship. Four other vessels were damaged.

300 Nazi Tanks Destroyed

The destruction of 300 German tanks, which were allowed to break through to the Soviet rear, is also described in a message from Moscow.

The Soviet night communique reports that Soviet naval and air forces successfully attacked a German convoy in the Baltic.

The communique says: "Our ships and aviation attacked eight German transports escorted by five destroyers. According to preliminary data one destroyer and one transport were sunk and two destroyers and one transport damaged. The enemy was forced to turn back without accomplishing his task. We suffered no losses."

Refering to air operations over the front the communique says: "Our air force, in cooperation with lands troops, dealt blows at enemy panzer units, infantry and artillery. In the course of August 1 our air force destroyed 41 German planes. We lost 19 machines."—Reuter.

Panzer Divisions Destroyed

London, Aug. 3.

Soviet reports of the destruction of 10 German Panzer divisions during the past six weeks of fighting was striking evidence of the ferocity of the war raging along the entire Russian frontier, and military experts believed yesterday that the losses would prevent the Germans from renewing their campaign with anything like the striking power hitherto employed.

The 10 panzer divisions constituted two more divisions than the entire armoured force the Germans threw into the Battle of Flanders, in which the Germans forced their famous break-through with only two armoured divisions.

According to informed quarters the German campaign force consists of 22 armoured divisions. If ten have been destroyed already, or so badly mauled that their repair will take a considerable time, it was considered here that the much advertised "third blitz wave" against Russia will not develop anything approaching the striking power of the first two assaults.

High Losses

The losses suffered by the Russians themselves were known to be very high, but the Red High Command was represented as "satisfied with the amount of heavy reserves still available in the western Soviet Union."

It was rumoured here that the Russians will not attempt any real counter-offensive until the Germans have dashed the third wave against Russian defences when, it was hoped, the Germans would be too exhausted for any swift movements. Strong reserves were being held back by the Russian "High Command for this counter-stroke, according to rumours current here.

Military quarters, however, admitted that there was a possibility that these Russian reserves might be forced into action against the third "blitz wave" with the result that both sides would be exhausted, thus bringing about a lengthy period for recovery in which the front would be stalemated.—United Press.

Soviet Victories Claimed

Moscow, Aug. 3.

Reviewing the first six weeks of the Soviet-German war, M.S.A. Lozovsky, official, Government spokesman and Vice-Commissar of Foreign Affairs, told the press yesterday that the Red Army had decimated crack German shock divisions and had killed, wounded or taken prisoner more than 1,500,000 German troops.

"The Reichswehr is bogged down on the eastern front and is suffering tremendous losses in men and material," he declared. "Each day of fighting brings nearer the defeat of the German Army and expedites the catastrophe facing the Third Reich."—United Press.

Germans Leaving Iran for Turkey

Ankara, Aug. 3.

Sixty German technicians and industrialists from Teheran are on their way to Turkey. Some have already arrived, and it is believed many other Germans are shortly leaving Iran when their visas expire.—Reuter.

Nazi Drives Held Up

With the Russo-German war in its seventh week the Nazis, far from accomplishing their vaunted two-months victory over the Reds, have been held up in both the north, in their drive on Leningrad, and in the central sector, in the drive against Smolensk and Moscow. In the Ukraine the Germans appear to be launching a fresh drive against Kiev, but have been held in the Zhitomir region, where fierce fighting is taking place.

Final Victory Is Sure

New York, Aug. 3.

"Though the next few months may be crucial, we are now more confident than ever before that our final victory is sure," declared Lord Halifax, the British Ambassador to the United States, in an international broadcast from Washington to England and Canada.

The broadcast celebrated the starting of production of Rolls-Royce aeroplane engines by the Packard Motor Car Company of Detroit, Michigan.

Lord Halifax added: "By the help which American industry is giving us we can be certain not only of preserving liberty for ourselves but of restoring it to the free people whom the engine of Nazi aggression has robbed of it today.

Packard Genius

"Hitler has turned the world upside down, just as Napoleon did a hundred years ago. At the end of a long day Napoleon was smashed by the Duke of Wellington, of whom it was said that his genius was an infinite capacity for taking pains. That is the kind of genius Rolls-Royce and Packard possess, and this is the kind of genius that is going to win this war."

Sir Henry Self, head of the British Air Mission to the United States, Major-General George Brett, chief of the United States Army Air Corps, Mr. M. Gilman, President of the Packard Motor Company, an R.A.F. navigator (speaking from London), a Canadian war ace and a Packard machinist from Detroit also participated in the programme.

Miracle of Building

The programme marked the "ten month miracle" of building and equipping a new factory since the contract was first signed.

In tribute to United States' production efforts, Lord Halifax said: "Speed is everything. We have had a long and tiresome way to go to catch up with our enemies, but with your help we are getting nearer and nearer every day. In one year the United States has built up an immense arsenal of vital weapons and materials to stop the war."—Reuter.

Record Output of British Tanks

London, Aug. 3.

A record output of tanks has been set up in July by Lord Beaverbrook's "tank boys."

This was disclosed last night in a message which the Minister of Supply sent to workers in tank factories.

Lord Beaverbrook's message was addressed to the "tank boys," and says: "Your output for the month of July is a record. You have surpassed my expectations. You have beaten the programme I laid down for your direction on the first day of the month. By your exertions, you have earned the gratitude and admiration of the people of this country."

Lord Beaverbrook concludes by exhorting tank workers to have a good Bank holiday, and to "come back on Tuesday with the certain knowledge that you are going to make August a better tank month than July."—Reuter.

Mexico's Attitude

Mexico City, Aug. 3.

President Camacho of Mexico has stated in an interview that Mexico would not intervene in the war, except in case of aggression against her or another nation on the American continent.—Reuter.

U.S. Again Warns Vichy

Washington, Aug. 3.

THE United States Government yesterday asserted that the Japanese occupation of French Indo-China was a threat to American security and warned the Vichy Government that in the future relations between France and the United States will be guided by the degree of resistance that France shows to the Axis powers in the French territories.

The statement apparently was aimed to prevent any chnnges in French Africa as advocated by the Paris (German-controlled) press similar to the recent agreement covering joint Japanese-French "defence" of Indo-China.

Threat to U.S.

Mr. Sumner Welles, Under-Secretary of State, declared at his press conference yesterday that the Franco-Japanese pact covering Indo-China was a threat to United States security.

Mr. Welles recalled the pledges made by the French Government to maintain its territory against aggression. He recalled that the French did not oppose activities of Italian and German troops in Syria but resisted when Britain attempted to take defensive action there.

"The United States, Mr. Welles added, "in its relations with the French Government at Vichy and with local authorities in French territories will be governed by the manifest effectiveness with which those authorities endeavour to protect these territories from domination and control by those powers which are seeking to extend their rule by force of conquest or the threat thereof."

Details Received

Mr. Welles revealed that the United States had received details of the Indo-China pact, and added that "in effect the agreement virtually turns over to Japan an important part of the French Empire."

The Under-secretary said that this meant that France gave territory to a country with definite territorial aspirations, thereby creating a situation "which has a direct bearing on the vital problem of American security."

Mr. Welles declared that the French action of permitting foreign troops to enter an interal part of the Empire "beyond the scope of any known agreement" permits Japan to occupy bases from which she might conduct operations "directed against other peoples friendly to the people of France."—United Press.

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The European War, August 4.

Nazis Suffer Terrific Losses

Moscow, Aug. 4.

POWERFUL German forces, driving with full fury against Marshal Semyon Budenny's southern Russian Army in an effort to take Kiev, were showing some specific gains for the terrific losses they have suffered in 44 days of war, authoritative Soviet sources indicated today.

Major German attacks were reported in the Smolensk sector and the Korosten and Belaya Tserkov sectors of the Kiev front, while a subsidiary Nazi thrust was launched toward the Tallinn region.

The official war communique, in referring to fighting at Korosten, northwest of Kiev and at Belaya Tserkov areas, took the scene of the battle some distance nearer Kiev, capital of the Ukraine, Korosten is 90 miles west-northwest of the capital, while Belaya Tserkov is 50 miles south-southwest.

Nevertheless, the communique indicated that the drive against Kiev might already have been halted.

It has developed that Tallinn, capital of Estonia, was definitely and apparently strongly in Russian hands and it was indicated by authoritative quarters that a formidable Soviet army in that area was not "encircled" but holding that corner of the coast."—United Press.

Severe Fighting on Whole Front

London, Aug. 4.

The latest Soviet communique reveals no new developments in the Ukraine though the Germans are attempting to reach Kiev by means of wide flanking movements and fighting continues round Korosten and Belaya Tserkov. The German High Command claims that "in the course of an enveloping movement in the Ukraine German and Hungarian mobile troops have cut off vital enemy railroad communications."

In the centre, the Russians merely state that fighting is continuing in the direction of Smolensk, while the Germans claim that "the mass of Soviet forces surrounded east of Smolensk is now annihilated and the remainder are faced with disbanment."

Pskov, south-west of Leningrad, is said to be in German hands, but Moscow neither confirms nor denies this German report.

According to the German communique, bombers last night raided utility plants and arms works in Moscow and an important railway junction near the source of the Duena.

The latest communique issued by the Soviet Information Board today states:

"During the night of August 3, our troops continued fighting against the enemy in the directions of Smolensk (in the centre), Korosten and Belaya Tserkov (in the Ukraine) and in the Estonian sector of the front. In the other sectors of the front, there were no significant changes.

"Our Air Force, co-operating with the land troops, continued to deal blows at enemy mechanised troops, infantry and artillery."—Reuter.

Working Night and Day

Moscow, Aug. 4.

The "Pravda," in a special despatch, reported that factories were working day and night in Tallinn and that thousands of men had joined the battalions which were fighting parachutists and spies in that area.

Huge Encircling Attack

Soviet Russia's Red Army battled a huge German encircling attack yesterday which had thrust to within about 45 miles of Kiev, capital of the vital Ukraine, and simultaneously communiques reported the "complete exhaustion" of Nazi forces on other fronts after Soviet forces had driven home slashing counter-drives.

Around Smolensk, guarding the approach to Moscow, and on the northern front, west of Leningrad, the Germans were being held at a virtual standstill and were suffering huge losses in men and materials, according to the Russian High Command, as the titanic Battle of Russia entered its seventh week.

Enormous German Losses

The German war machine, which was officially described as having lost about one-third of its 3,500,000 to 4,000,000 front-line troops in the past six weeks of "history's greatest battle," was said to have been so weakened by the enormous losses that it was unable any longer to launch attacks at several key sectors.

The official communique indicated the Germans had been halted on the Smolensk front while a lull descended over the Leningrad front around Porkhov.

Two-hour Raid on Moscow

In the shortest air raid in a fortnight, a few German planes broke through the Russian ground and air defences and bombed some dwellings in Moscow and other areas scattered outside the capital last night, it was officially announced today.

The raid lasted only a very short time, with the period between the first air raid alarm and the all-clear signal totalling two hours. The alarm sounded at 11.30 p.m. and the all-clear at 1.30 a.m.

Flying in singly from several squadrons which kept at a very high altitude, only a few craft penetrated the ring of defences thrown up by intensive anti-aircraft fire and night fighter patrols, the official report said.

Fires were started by incendiary bombs among residential quarters in Moscow, but were quickly extinguished. No military objectives were hit, the official report stressed.

Little Damage Done

German bombers again raided Moscow on Saturday night and Sunday morning and the air raid alarm in the capital lasted for three hours.

Official announcements said that only a few single bombers from several squadons succeeded in breaking through to the capital. Night fighters and anti-aircraft batteries repelled the others outside Moscow.

The German raiders dropped incendiaries from a great height and started a few small fires which were speedily extinguished.

A tour of Moscow yesterday revealed that the capital had suffered but little damage after a fortnight of intermittent raids.

Italians to Fight in Russia

Rome, Aug. 4.

Sig. Francesco Giarrizzo, war correspondent of the Giornale d' Italia with the Italian Expeditionary Corps in Russia, indicated yesterday that Italian troops will enter into action in the Ukraine shortly.

He described the corps as completely motorized and extremely maneouvreable. He said the greater part of the Italian troops were lads of about 20 years of age who "are full of enthusiasm and faith."—United Press.

Railway Communications

Berlin, Aug. 4.

Vitally important Russian railway communications were cut by German and Hungarian mechanized columns in the Ukraine through an enveloping manœuvre, the High Command announced today.

The High Command finally claimed having annihilated the mass of Soviet troops trapped east of Smolensk, adding that the dispersion of the remainder of the Rde Army in this area was imminent.

Supply depots and armament factories in Moscow were bombed by German planes last night, the High Command reported.

German forces were reported by the High Command yesterday to be wiping up Soviet resistance in Estonia west of Lake Peipus and to have captured 10,000 prisoners and much booty as the battle on the road to Moscow entered its third week against "fanatical" Soviet resistance.

The communique gave no details of the titanic struggle east of Smolensk except to report that "operations continue successfully."

Striking to the east, west and south the German Air Force was reported to be dealing heavy and new blows against Russian communications and troop concentrations.

The High Command said that "strong" Luftwaffe formations bombed military objectives in Moscow "with good effect," while other detachments sank six British merchant ships totalling 40,000 tons from a strongly protected convoy off the British east coast. Other squadrons were said to have raided the naval base at Alexandria.

Russians Pour in Reserves

Russia's High Command was reported pouring vast hordes of reserves into the battle at Smolensk, desperately seeking to relieve forces trapped in the great "annihilation" battle in which the German war machine was seeking to open the door to Moscow.

Military quarters said that the Russians battling before Moscow were putting up vigorous resistance "for special reasons," but German quarters said that despite this they faced a calastrophe as great as the encirclement near Bialystok where Germany claimed that its forces had captured over 300,000 troops.—United Press.

Rumanian Communique on War

Rome, Aug. 4.

The claim that large Soviet forces are threatened from the rear in the fighting between the Dniester and Bug rivers is made in a communique from the Rumanian General Staff.

The communique states that German and Rumanian troops continue to advance between the Dniester and the Bug. Motorized troops in this sector are said to have penetrated deeply into Soviet lines and to be threatening from the rear large enemy forces.

An encircling manœuvre which puts the Soviet forces in a serious position is developing, the communique adds.—Reuter.

Hull Returns To Washington

Washington, Aug. 4.

Secretary of State Cordell Hull returned to Washington today after a month's absence during which he rested from his duties upon instructions from his physicians.—Havas Telemondial.

Big Night Attack On Crete

Cairo, Aug. 4.

British warplanes of the Middle East Command took revenge on the German's for the capture of Crete and heavily raided Axis airdromes on the former British possession Friday night according to official communiques released yesterday.

"At Candia very large explosions were followed by an extensive red fire which indicated a petrol dump had been hit," the communique stated. "At Maleme, bombs appeared to have exploded a munitions dump as violent detonations were followed by a great fire which sent up clouds of smoke to a height of 5,000 feet."

The communique said the fires were visible for 40 miles over high, intervening mountains.—United Press.

Heavy Night Attack

Cairo, Aug. 4.

A large number of Junkers dive-bombers, escorted by Messerschmitt fighters, attacked British warships off the North African coast on Saturday, stated an R.A.F. Middle East communique today.

British fighters intercepted the enemy formations and shot down four bombers and one fighter, and badly damaged several more fighters. Three British fighters are missing.

R.A.F. bombers made a heavy night attack on enemy-occupied aerodromes in Crete on Friday, for the first time since the British evacuation of the island.

At Candia, very large explosions followed by an extensive red fire indicated that a petrol dump had been hit. At Maleme, bombs appeared to have exploded on a munitions dump as a violent detonation was followed by a great fire which sent clouds of smoke up to 5,000 feet. When the British aircraft were 40 miles away from the target, the glow of fires could still be seen over the high intervening mountains.

Raid on Sicily

Earlier during Friday British bombers attacked enemy shipping at Lampedusa Island. Two merchant vessels of about 300 tons each were hit by several bombs, and the wreckage could be seen flying high into the air.

The bombers also attacked and silenced machine-gun posts. Other aircraft attacked a number of Savoia bombers on the aerodrome at Borizoo in Sicily, where one enemy aircraft was destroyed and a large number badly damaged. One British machine has not returned from these operations.—Reuter.

Raid On Suez Canal Zone

Cairo, Aug. 4.

Air-raid alarms were sounded on Sunday night in several provinces of Egypt. Bombs were dropped in the Suez Canal area and caused the heaviest casualties yet recorded there —17 persons killed and 58 injured.

Slight damage was done to property, it is officially announced. Gun fire was heard in the Cairo area, and among other places where alerts were sounded were Alexandria and Port Said.—Reuter.

German Steamer Intercepted

London, Aug. 4.

The German steamship Frankfurt (Bremen, 5,522 tons), of the Norddeutscher Lloyd, has been intercepted by British patrols while attempting to run the blockade, states an Admiralty communique.

The Frankfurt was reported to have sailed on June 29 from Rio de Janeiro where she arrived on June 6 with a cargo of nitrate. In March, 1940, she entered Talcahuano (Chile) to take on stores. Then, nothing more was heard of her until she left Talcahuano on May 17, 1941, bound for Rio de Janeiro.—Reuter.

Nazis Claim Damage To British Shipping

Berlin, Aug. 4.

Luftwaffe planes sank a 10,000-ton oil tanker out of a convoy east of Hull and sank two other merchantmen totalling 10,000 tons from a convoy 21 miles south of Great Yarmouth in blistering attacks Saturday on British shipping lanes, D.N.B., official news agency, announced yesterday.

The German planes also scored hits amidships on a 7,000-ton merchantman in the convoy south of Great Yarmouth, it was claimed.

German planes simultaneously attacked British aerodromes, damaging landing grounds and buildings, it was stated.

Stukas were in operation northwest of Marsa Matruh on Saturday and they attacked and damaged two British destroyers, it was stated.—United Press.

Heavy Bombing Over Reich

London, Aug. 4.

LAST night, despite unfavourable weather, aircraft of the Bomber Command attacked industries and communications at Hanover and Frankfurt on Main. Docks at Calais were also bombed. One British aircraft is missing.

A strong force of four and two-engined bombers attacked the heart of Berlin on Saturday night with the heaviest British bomb, according to the news service of the Air Ministry, which asserts that Berlin's winter had begun in earnest, as there were already enough hours of darkness to bring a really strong force of bombers over the German capital.

The German Radio's description of this heavy attack as the work of only a few isolated aircraft, the Air Ministry declared, suggested that the Germans had a lively anticipation of how much more will be done when there is yet more darkness.

Though cloudy over the North Sea the sky was clear over central Germany, and while the moon was setting and gave no help to the British aircraft as they approached, through flares the crews saw many landmarks and aimed their heaviest bombs at the heart of Berlin.

From All Directions

The attack was made from all directions, and as soon as the first bomb had fallen gunfire began. Berlin had greatly increased its number of searchlights. The pilot of a Stirling four-engined bomber said: "We saw searchlights when we were about 30 miles from Berlin. When we got nearer we reckoned there were about 300 of them. We sneaked in between them.

"We arrived over the outskirts of Berlin at 1.30 a.m., and we bombed at 1.54 a.m., and in that time we had made a circular tour over most of central Berlin. There was a good number of bombers over the city at the same time as ourselves, so the ground defences could not concentrate on one aircraft.

"While we were flying around we saw a lot of incendiary bombs go down in the west of the city. Our own bombs burst on the meeting point of two sets of railway lines. My rear gunner said he could see the lines quite clearly in the light of bomb flashes.

New Bombs "Terrific"

"As we were coming away we saw one of the new bombs go off. I had never seen one before. I caught sight of an explosion out of the corner of my eye, and when I first saw it I thought it was a flare about 1,000 feet away. Then I realized it was far below on the ground.

"My rear-gunner called to me to tell me that he had a full view of it. It was terrific, he said.

"I think we gave Berliners their money's worth all right."

One of the new bombs was carried in an aircraft piloted by a Wing-Commander who went to Berlin to celebrate, as he put it, the conclusion of five months in command of a bomber squadron. A few hours after the attack he handed over to his successor and took up his new job as Group Captain commanding a bomber station.

Too Good to Miss

He said: "I didn't know when I would be able to have another crack at the enemy, and the chance was too good to miss. I wasn't disappointed. It was a good attack, and we were all very pleased with the results."

The captain of a four-engined bomber, a Flight-Lieutenant, who has the Distinguished Flying Cross, said he had no difficulty in finding the centre of the city. "Shells were bursting only a few feet beneath us, but we got through. My rear-gunner told me he could see clouds of black smoke coming up after our bombs hit the mark. Our flares had lighted up buildings at which we were aiming."

Other crews reported a fire which "heaved like a volcano," and three huge explosions, with deep red glow over the city visible when they were 80 miles away.

Hamburg, Kiel Pounded

Hamburg was as fiercely attacked as Berlin, and great damage was done to docks, railways and industries, and there were good reports of an equally heavy attack on shipbuilding yards at Kiel. Thus the night's operations resulted in widespread destruction in three of the main centres of Germany's strength.

Saturday night's raid on Berlin was the second since the R.A.F.'s summer offensive opened. The last attack on the German capital was on July 25, when four-engined bombers also dropped some of the heaviest and most powerful bombs ever used right in the centre of the city.

This latest raid on Berlin recalls the statement of Colonel Moore-Brabazon, Minister of Aircraft Production, in the House of Commons on July 10 that "it will not be many months before raids like those on London will be child's play compared with the raids we will be able to make on Berlin." Berlin, which is the centre of the German railway system besides being a big industrial city, has altogether been raided nearly 50 times.

Four Nazi Planes Destroyed

Four German aircraft were shot down during R.A.F. offensive operations yesterday, states a British Air Ministry communique.

"Aircraft of the fighter command again carried out many offensive operations over the Channel and northern France yesterday," it states. "Large numbers of enemy objectives were attacked. Patrol vessels, aircraft on the ground, troops, gunposts and an aerodrome were raked with machine-gun and cannon fire from a low level and four enemy fighters were shot down. One of our aircraft is missing."

One Nazi Over Britain

One German aircraft dropped bombs at a place on the south-east coast yesterday afternoon, causing some damage and a small number of casualties, according to the Air Ministry.

An enemy bomber, adds the communique, was shot down in the Channel by a British fighter early in the afternoon.—Reuter.

German Account

Berlin, Aug. 4.

British bombers carried out "nuisance" raids on Berlin and Potsdam on Saturday night, the German High Command admitted yesterday, but D.N.B., official German news agency said that reliable quarters reported military objectives and war industries suffered no damage.

The High Command said three British raiders were shot down during Saturday night, one in the immediate vicinity of Berlin. Official announcements said "culturally valuable" buildings in Potsdam were damaged and some civilians were killed.—United Press.

Queen's Birthday Spent in Country

London, Aug. 4.

A stream of messages of congratulations began to pour into Buckingham Palace early today, the Queen's Birthday. They came from many parts of the Empire and from the United States, while Ambassadors and Heads of Foreign Missions in London called at the palace.

There was no official celebration. The Queen spent the day in the country with the King and Princess Elizabeth and Princess Margaret.—Reuter.

Fighting Continues Along Peru Border

Lima, Aug. 4.

Sporadic fighting has broken out along the frontier between Peru and Ecuador despite the armistice agreed upon by the two countries a few days ago, the Foreign Ministry announced here this morning.

The Ministry denied the Ecuadorian claim that Peruvian forces had violated the armistice and were continuing to advance.—Havas Telemondial.

Ecuador Denies Any Violation

Quito, Aug. 4.

The Ecuadorian High Command released a communique yesterday stressing that Ecuador has strictly abided by the terms of the armistice with Peru and that orders had been given to cease fire on August 2.

The communique denied the Peruvian reports alleging that fighting has been resumed along the border by Ecuadorian troops after the armistice. The communique charged the Peruvians with having shelled two frontier towns and with having occupied two others.—Havas Telemondial.

Peru-Germany Agreement Cancelled

Lima, Aug. 4.

Peru has decided to cancel her 1925 agreement with Germany on the exchange of diplomatic bags for official correspondence official notification has been sent to the German Minister here.

The ground given is that the German Government has failed to observe the agreement by using bags for a purpose other than that laid down in the pact.

The step taken by the Peruvian Government is presumably a sequel to the discovery in Argentina of a wireless transmitting set in a diplomatic bag, consigned from the German Legation in Lima to the Embassy at Buenos Aires.—Reuter.

Duke of Kent Leaves

Ottawa, Aug. 4.

The Duke of Kent and his suite left Ottawa yesterday evening on a Canadian Air Force plane for a tour of inspection through Canada.

Their first stop will be Winnipeg.—Havas Telemondial.

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FOREIGN TELEGRAMS (continued)

B.B.C. Voices Contempt for German Foreign Minister

London, Aug. 3.

HITTING out hard in quick-moving and colourful new style, the British Broadcasting Company gave a propaganda broadcast to Germany last night, especially directed at the Nazi Foreign Minister, Joachim von Ribbentrop, in which he was asked to defend himself against charges of corruption, forgery and general dishonesty, and with being one of those chiefly to be blamed for the affliction of the German nation, and the misery and disaster which has overtaken millions of men and families in these last years.

The broadcaster covered the highlights in the career of the German Foreign Minister from 1920 to the present, describing Ribbentrop at the close of the last war as a champagne salesman, whose friends were war profiteers, down-at-heel aristocrats and dance hostesses.

Next came the reminder of "Wine-Ribbentrop's marriage to the daughter of Germany's champagne king, Otto Henkell, which was followed by the charge that Ribbentrop became a member of the nobility by cleverly inducing a titled aunt to adopt him. "And when dear auntie passed away in 1936—very conveniently—you were heir to a hereditary title," the announcer said.

First Meeting with Hitler

A voice, representing that of Captain Roehm (who was murdered by Hitler) explained in detail how Ribbentrop first met the German leader and acquired influence through being a travelled friend of businessmen, whom Hitler wanted as supporters.

The announcer recalled Ribbentrop's promotion to the position of advisor in foreign policy, assisting Hitler in preparing the war diplomatically and at the same time making precautionary private measures, charging Ribbentrop with smuggling colossal sums out of the country totalling 38,960,000 Reich marks.

The next speaker was Frau von Remitz, widow of an old family of Austrian nobility, who said: "Unfortunately for us we owned Fuschl Castle, near Salsburg. Ribbentrop, enchanted with the view, made a purchase offer to my husband, but we not wishing to sell, politely refused the offer. Shortly afterwards he was arrested and brought to a concentration camp, while after a few weeks I received an urn with his ashes. My children and I had to leave the castle, and a little later the new owner—Ribbentrop—took possession."

Violence Upon Violence

Announcing the invasion of Austria, the narrator again addressed Ribbentrop: "Thus it began. Attack followed attack. Violence upon violence. Forged documents, designed to prove the guilt of the respective country, are regularly discovered in every assaulted country."

Accusing voices reminded him of the failure of the plan he brought to London in 1936 for a united front against Russia under the direction of Germany, secondly, the anti-Comintern Pact with Japan, invalidated by the 1939 agreement with Russia, and thirdly, his hopes that the Moscow pact would secure Eastern frontiers.

The narrator described his foreign policy as lies, broken treaties and forged documents.

Dragging Nation Down

"You are a failure," the announcer said. "You told Hitler he could attack Poland because 'degenerate' Britain would not fight, or if Britain should give battle, it would mean the end of the British Empire.

"You encouraged Hitler to fight Russia, saying that the Soviet armies would collapse under the first assault. There are your achievements... Germany's foreign policy under your leadership has turned the German nation's struggle for life into a mortal combat. The abnormal conditions which followed the war raised you to the surface. Now you have dragged down the entire German nation."—Reuter.

New British Naval Appointments

London, Aug. 3.

The appointment of Rear-Admiral Ernest J. Spooner, D.S.O., as Rear-Admiral in Malaya, and in charge of the Naval Establishment at Singapore, is a feature of the list of new appointments announced by the Admiralty.

The list also includes the following Flag Officers recently appointed to sea commands: Cruiser Squadron, Rear-Admiral Edward Syfret and Rear-Admiral Henry B. Rawlings; Destroyer Flotillas, Rear-Admiral Irvine G. Glennie.

Rear-Admiral Syfret was thanked by the first Lord of the Admiralty a week ago for successfully taking a convoy through the Mediterranean in face of constant attack.

Rear-Admiral Rawlings was Naval Attache at Tokyo before he took command of the cruiser Norfolk in August 1939.—Reuter.

Navy Torpedoes Italian Cruiser

London, Aug. 4.

An Italian six-inch gun cruiser, either the Eugenio di Savoia or the Emanuele Filiberto Duca d'Aosta, was attacked and torpedoed by a British submarine in the Mediterranean yesterday, the Admiralty announced last evening.

The cruiser was accompanied by another six-inch gun cruiser of the *Garibaldi class*, both being protected by smoke-screens.

Two hits were secured. Destroyers were observed later circling the position in which the cruiser had been hit and laying a protective smoke-screen.

It is not known whether the Italian cruiser sank.

The Admiralty also announces that submarines operating in the Mediterranean have reported other successful actions.

Supply vessels of 6,000 and 1,600 tons have been torpedoed and sunk. A floating dock towed by two tugs and escorted by a destroyer and two torpedo-boats was attacked within less than a mile off the Italian coast. The floating dock was hit by at least one torpedo.—Reuter.

Finland Declared Enemy Country by N. Z.

Wellington, Aug. 4.

Finland has been declared enemy country by the Government for the purpose of enemy property and enemy trading regulations. This brings New Zealand into line with other Empire countries who have already taken such action.—Reuter.

Hopkins Returns

Moscow, Aug. 4.

Mr. Harry Hopkins, accompanied by Brigadier-General Joseph T. McNarney of the United States Air Corps, left Moscow on Saturday for an unannounced destination in an American bombing plane that brought them here from London to study Soviet Russia's needs.

The co-ordinator of the American aid-Britain programme was seen off at the aerodrome by M. S. A. Lozovsky, Deputy Peoples' Commissar for Foreign Affairs, members of the Collegium and M. Soboley, Secretary-General of the Commissariat of Foreign Affairs. Other notabilities present were M. Pronin, Chairman of the Moscow Soviet, M. Zarubin, Director of the United States Department of the Peoples' Commissariat of Foreign Affairs, Major-General Revyakin, and Captain Zusev, Director of the Department of Foreign Relations of the Peoples' Commissariat for the Navy.—United Press.

Hopkins Arrives in London

London, Aug. 4.

Mr. Harry Hopkins, Co-Ordinator of the U.S. National Defence Programme and President Roosevelt's personal envoy abroad, arrived here yesterday evening from Moscow.—Havas Telemondial.

Roosevelt to Take Holiday

New London, Conn., Aug. 4.

President Roosevelt was scheduled to embark aboard the yacht Potomac yesterday for at least a week's vaction at sea, but informed quarters said he would probably confer during the week with Rear-Admiral Ernest J. King, Commander of the Atlantic Fleet, aboard the yacht sometime this week. President Roosevelt's movements at sea will be secret.—United Press.

Patrols in Libya

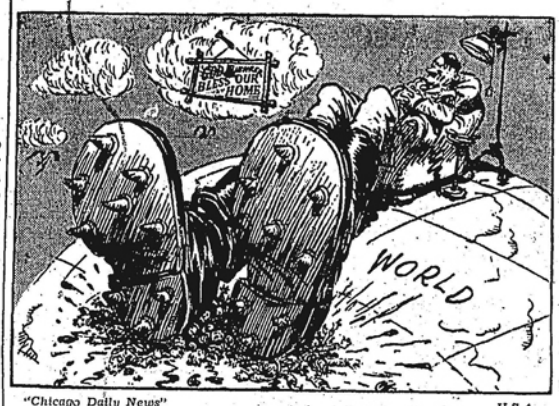
Cairo, Aug. 4.

Offensive patrols from Tobruk continued their aggressive tactics on Monday but the enemy apparently refused contact by withdrawing from forward positions under cover of darkness.

The patrols did valuable work, locating and destroying hostile minefields.

In the frontier area, patrols from British mechanized units have again harassed the enemy, particularly by artillery fire.—Reuter.

CARTOONS OF THE DAY



"Chicago Daily News" U.S.A.

"Hitler's living room"

"Pittsburgh Post-Gazette" U.S.A.

AIR RAIDS.

"Glasgow Record" Britain

"Thirsty traveller"

"Evening Standard" London

Dr. Joseph Goebbels moulds German thought toward the United States.

"Providence Journal" U.S.A.

"Some bundles for Germany"

"Glasgow Record" Britain

"But Tony has his doubts"

"Providence Journal" U.S.A.

"Perfect Accord"

"Baltimore Sun" U.S.A.

"From the heights"

"Baltimore Sun" U.S.A.

"The whites of his eyes"

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Miscellaneous

Japan Deprived of U.S. Oil

Washington, Aug. 2.

PRESIDENT ROOSEVELT yesterday applied a virtual embargo on the export of all types of motor fuel and lubricating oils to Japan in what was described by authoritative sources here as a new blow at the Japanese war machine.

Without mentioning Japan by name—though the move was obviously directed at the Island Empire—the President shut off such shipments to "destinations other than in the western hemisphere, the British Empire and unoccupied territories of other countries engaged in resisting aggression."

The President specifically ordered the existing embargo on aviation fuel and oil to be made absolutely air tight and also ordered that machinery be set up to place an embargo at will on all other types of petrol and oil.

The only loophole for other oil supplies to Japan was thus left ready to be shut immediately when and if he deemed such an absolute embargo to be necessary.

Using Low Grade Spirit

A spokesman of the Office of Export Control said that the order was prompted by reliable information that Japanese and German bombers were using low grade aviation petrol containing an octane percentage much lower than in the fuel mentioned in the President's original embargo, which applied only to aviation petrol, which contained an 87.5 octane percentage.

The President left the door open for continued oil shipments to Japan—enough to keep her non-military industries functioning—by limiting the exportation of "other petroleum products to usual pre-war quantities" on a pro rata basis and subject to the issue of export licences.

The Export Control spokesman said that this meant that Japan or any other prescribed nation could obtain certain oils, such as crude, for furnaces, but only in quantities, necessary for their industries and at the will of the President.

Thus, he explained, if Japan persisted in her aggressive ventures in East Asia, President Roosevelt, by refusing export licences, could dry up Japan's entire oil supply in the United States and bring her industries to a virtual halt.

Move Welcomed

Dr. Hu Shih, Chinese Ambassador to Washington, hailed the export ban and said he was "greatly gratified" by President Roosevelt's order.

"I am sure this will greatly strengthen our *moral* and I think it will be of great benefit to the whole cause of the Democracies fighting for freedom," Dr. Hu said. "It really is a very effective weapon."

Prior to yesterday's action, export of aviation petrol or lubricating oil had been subjected to export licences.

Text of Announcement

The text of the White House announcement of the oil ban follows: "It is announced the President has directed the Administrator of Export Control to take the initiative for further regulation in respect to the export of petroleum products in the interest of national defence. The action will have two immediate affects.

"It will prohibit the exportation of motor fuels and oils suitable for use in aircraft and of certain raw stocks from which such products are derived to a destination other than the Western Hemisphere, the British Empire and unoccupied territories of other countries engaged in resisting aggression.

"It also will limit the exportation of other petroleum products, except to destinations referred to above to the usual or pre-war quantities and provide for pro-rata issuance of licences on that basis."—United Press.

Ship's Sailing Unaffected

San Francisco, Aug. 2.

The sailing of the Tatuta Maru will not be affected by the Washington order cutting off the export of motor fuels and oils, it was learned today. The Japanese liner is expected to sail tomorrow night or Monday morning.

The ship will carry 350 passengers but no cargo. Its silk cargo valued at US$2,000,000, is expected to be sent by freight cars to the east immediately.—United Press.

Canadian Pipeline Joined With American

Highwaters, Quemec, Aug. 2.

Ceremonies were performed here yesterday marking the joining of two sections of the 236-mile long pipeline destined to carry oil from Portland, Maine, to Montreal.

The ceremonies were attended by Mr. C. D. Howe, Canadian Minister of Munitions, and Mr. J. P. Moffatt, United States Minister to Canada.

Mr. Howe said that tankers which the pipeline would release for the trans-Atlantic service would be part of Canada's contribution to the Battle of the Atlantic. He expressed a hope that oil would be flowing through the pipeline by September 1.

Mr. Moffatt said the pipeline was one more in the series of bonds binding the United States and Canada more closely.—Reuter.

U.S. Not to Hold Japanese Ships

Washington, July 29.

The State Department yesterday announced that Japanese ships may enter United States ports without fear of detention.

Mr. Sumner Welles, Under-Secretary of State, yesterday announced that "under present circumstances the Treasury Department will grant prompt clearance for Japanese vessels clearing from United States ports."

The announcement was made after a conference with Admiral Kichisaburo Nomura, Japanese Ambassador, regarding 40 Japanese ships hovering off the Pacific Coast. The vessels apparently were afraid to come into port because of American freezing regulations.

Among the vessels overdue were the Tatuta Maru, carrying a U.S.$3,000,000 silk cargo, which was reported to be off San Francisco, and the Heian Maru, due at Seattle.—United Press.

Asama Maru Not in Port

Honolulu, July 29.

The Asama Maru did not appear off port at noon yesterday, according to schedule. Unofficial quarters understood the vessel was waiting about 500 miles west.

The N.Y.K. office here said it had not heard from the ship since Friday when it reported it would be off the port at noon.—United Press.

Vessel Lies Off Singapore

Singapore, July 29.

Reliable sources here yesterday said the Matsumoto Maru was lying off Singapore pending clarification of the situation resulting from British freezing of Japanese assets.

The N.Y.K. offices here said the Hakone Maru was due here on Tuesday en route to Bombay and that the return voyage was fully booked from Singapore since it will be the last Japanese passenger vessel bound for Japan, due to diversion of passenger liners from the Singapore run.—United Press.

No Detention in Canada

Ottawa, July 29.

Japanese ships will not be detained if they enter Canadian ports, at least not for the present, a Government spokesman said last night.

"In the matter of policy Canada will naturally keep very closely in line with the course followed by Britain and the United States," the spokesman said.

"It is wholly unlikely that Canada will give any assurance to Japanese ships, but it is not likely that they will be interferred with for the present.

"Every Japanese ship will be considered as an individual case on its merits, but we have decided to let the Florida Maru sail and it is probable that our policy would be the same at the moment in other cases."—United Press.

Still on High Seas

Washington, July 29.

The Japanese liner Tatuta Maru is still on the high seas, and questions concerning its movements were asked at a press conference here yesterday.

Asked whether the United States was going to do anything about the 150 American passengers reported to be aboard the Japanese vessel, Mr. Sumner Welles, Acting Secretary of State, replied that the owners of the ship were responsible for its movements, and he could not say what their plans might be until the situation was more clarified.

Mr. Welles said he did not have information whether the ship was on its way to a Mexican port.—Reuter.

President Roosevelt Leaves for Holiday

Washington, Aug. 3.

President Roosevelt is leaving for New London, Connecticut today on a yachting holiday in New England waters, His Secretary, Mr. Stephen Early, announced he will embark in his presidential yacht Potomac. He expects to be away a week. The yacht's movements will be strictly secret.

Mr. Early said the President will be ready to return to Washington anytime, if the international situation required it.—Reuter.

Loading Licences

Sydney, July 29.

Licences for Japanese ships to load at Australian ports have been withdrawn, according to shipping companies here.—Reuter.

No British Oil Going to Japan

London, July 30.

It is now known that the Vichy Government has acceded to the Japanese demand for occupation of the two naval bases in Camranh Bay and Saigon, and eight air bases in South Indo-China, said Mr. Anthony Eden, War Secretary, when making a further statement of the Far Eastern situation in the House of Commons today.

Mr. Eden added: "The House will not expect me to describe in detail the defence measures already enforced in Malaya. In the economic sphere, the measures taken by the United States and Netherlands governments, and the Governments of the British Commonwealth of Nations are, I think, well-known from reports that have appeared. As soon as the British Government learned of the decision of the United States Government to freeze all Japanese assets, arrangements were made for parallel measures to come into force as regards the United Kingdom on July 25. Similar steps have been taken, or are being taken, throughout the Dominions, India, Burma and the Colonies, which thus presents a united front.

Ships' Warrants Withdrawn

"Steps have also been taken to freeze Chinese assets throughout the British Empire. The object of this is to prevent evasion through parts of China occupied by the Japanese. Steps have also been taken to withdraw ships' warrants from Japanese shipping lines.

"It is a matter of regret to the British Government that their relations with Japan should have reached this present state, but the fault does not lie with the British Government (cheers.) Japan complains of encirclement, yet it is Japan herself, who by successive acts of aggression has drawn closer and closer together in self-defence countries which lie in her path and whose territories and interests are everymore sharply threatened."

No Oil Shipments

Asked whether measures now taken will effectively prevent the despatch of oil from the companies under British, American and Dutch control, Mr. Eden declared that the steps taken give all governments complete control of all financial transactions, including the financing of trade. Nothing, Mr. Eden said, could happen or proceed unless license was given. The British Government would act in closest consultation with other governments, and the dominating principle would be the furtherance of war effort. Mr. Eden added that there had not been for some time past, as far as Britain was concerned, any delivery of oil to Japan.—Reuter.

Iran Threatened

London, July 30.

Britain was fully aware of foreign reports regarding a possible coup in Iran as a result of a heavy influx of Germans into the country, Mr. Eden indicated today when he revealed that Britain had already protested to Iran against such a situation.

Replying in the House of Commons whether he were aware of the increase of German experts and so-called Nazi tourists in Iran and whether Britain would make representations to Iran regarding this, he said such steps had already been taken.

"I have already drawn the Iran Government's serious attention to the danger to their interests of continuing to permit excessively large numbers of Germans to reside in their country. I trust that the Iran Government will not fail to heed this warning and will take the necessary measures to deal at once with the situation."

Asked whether Russia was taking similar action, Mr. Eden said, "We have been working in close cooperation in this matter.

Report Issued on Occupation

The Government today issued an official report on the events leading to Japan's occupation of south Indo-China and Britain's action to attempt to prevent it.

The reports said that the occupation was a continuation of the process begun last September when the Japanese were granted certain military and air facilities in north Indo-China, ostensibly for the purpose of a military campaign against China.

"Later Japan imposed its own mediation in the territorial dispute between Indo-China and Thailand and exacted as the price for her guarantee of settlement certain vague undertakings which could be used as a pretext for further encroachments on the freedom and action of both countries at any moment," the report added.

Categorical Denial

When Sir Robert Craigie, British Ambassador to Tokyo, pointed out to Tokyo the seriousness of the report that Japan was contemplating acquiring naval and air bases in south Indo-China and Thailand, he received a categorical denial from the Japanese Government on July 5, the report continued.

When Japan and Vichy concluded their agreement regarding south Indo-China, Admiral Teijiro Toyoda, Japanese Foreign Minister, told Sir Robert that if the step were misunderstood and measures taken to oppose it," the matter would naturally be of concern to relations between Japan and Britain, the development of which the Japanese Government ardently wishes to avoid," according to the report.

The British Ambassador replied, the report disclosed, that the Japanese action would produce the worst impression on Britain and he stressed that the Japanese move must constitute a potential threat to British territory.—United Press.

U.S. Ready for Developments

Washington, Aug. 3.

PRESIDENT Roosevelt's embargo on shipments of aviation gasoline and lubricants to Japan showed that American military and naval preparations are so far advanced that the Government is no longer afraid of any forceful measures that Tokyo might take in retaliation against United States moves, political authorities declared yesterday.

These quarters said that the United States obviously was not seeking trouble with Japan, but felt itself strong enough now to feel entirely free to take steps which might be calculated to curtail Japanese freedom to attack friends of the United States or American vital interests in the Pacific.

This impression was especially strong in view of President Roosevelt's disclosures a few days ago that until that time the United States had avoided an oil embargo lest such restrictions incite Japan to violence in the area enclosing critical interests of the United States and the other democracies.

Political experts said that announcement of the embargo showed that President Roosevelt no longer felt it necessary to be so careful. Experts said that this no doubt was because of the close collaboration evolved in recent weeks among British, Netherlands and United States forces in the Pacific and the strengthening of their military forces.

Experts also stated that, in addition, Soviet Russia's strong resistance to the German invasion and the co-operation among Russia, Great Britain and the United States were factors supporting President Roosevelt's position.

Washington diplomatic experts, including those of some foreign nations stationed here, said that the factors leading President Roosevelt to take his embargo decision almost certainly included some of the following:—

Reported Japanese Demands

1. Reports that the Japanese have demanded bases from Thailand;

2. The American public's bitterness over the fact the Tutuila was bombed by Japanese planes fueled presumably with United States-manufactured gasoline;

3. Persistent Chinese requests that the United States cease supplying Japan with fuel which enabled Nippon planes to attack Chungking;

4. Soviet Russia's need for aviation gasoline, as disclosed by the statement by Mr. Harold Ickes, Oil Administrator, that 10,000 drums would be prepared to transport aviation fuel to Russia, and that two tankers probably would be assigned to carry oil to Russia.

Diplomats pointed out that the fact President Roosevelt plans to take a vacation next week shows that he is not greatly worried over the possibility that Japan might strike immediately at any vital interests of the democracies.—United Press.

Concerned Over Oil Ban

Tokyo, Aug. 3.

The United States extension of restriction to petroleum exports has added to the general concern here concerning Japanese-American relations in the future.

Although calmer minds prefer to wait and see how the restrictions are applied to Japan, alarmists consider with misgiving that the new measure is chiefly anti-Japanese and especially regrettable.

Uncertainty hovers over the fate of the Tatuta Maru and the Heian Maru as regards clearance from San Francisco and Seattle, respectively.

A Japanese news agency reports that the Imperial Rule Assistance Association today recommended to the Government the mobilization of high school students, possibly women and also general labour conscription to offset the strain on farm and factory workers.

These suggestions follow the recent invocation of the additional Provisions and National General Mobilization law affecting industrial organizations, harbours, transport, etc.

At the same time authorities are exerting themselves to avoid international aggravation of the situation.—Reuter.

Halifax, Welles Confer

Washington, Aug. 3.

Lord Halifax, British Ambassador to the United States, the Australian Minister, Mr. Casey, and the South African Minister, Mr. Close, have conferred with Mr. Sumner Welles, Acting Secretary of State, on the Far Eastern situation.

All were later reticent in discussing with reporters the specific questions considered, but indicated that particular interest was shown in Japan's move southward.—Reuter.

Lourdes Pilgrimage

London, Aug. 3.

The annual French pilgrimage to Lourdes, which did not take place last year, will be held this year from August 21 to 25, reports the Paris radio. The ceremonies will be of a much simpler character than in the past.—Reuter.

Tatuta Not Allowed To Land Cargo

Washington, July 31.

A licence permitting the Japanese liner, Tatuta Maru, to withdraw funds needed to pay for fuel to return to Japan, has been granted, but the N.Y.K., owners of the vessel, have been informed that Tatuta Maru's large silk cargo could not be landed.

The liner was given special permission to discharge passengers. The refusal to permit landing of the cargo is the first policy-defining action taken by the Government committee administrating the freezing of funds in the United States. The Tatuta Maru will sail for home tomorrow morning.—Reuter.

Cargo Attached

San Francisco, Aug. 1.

The United States Marshal's office issued writs of attachment against a portion of the cargo carried by the Tatuta Maru, complicating its scheduled departure yesterday.

The N.Y.K., the ship's agents, said that there was no decision whether the sailing of the vessel would be delayed, but the Tatuta Maru may be held until August 5 when the hearing will be held.

The ship could sail by posting a bond double the value of the cargo involved, but because of frozen Japanese assets such a procedure might be most difficult.

The attachments were obtained by five United States firms which demanded delivery of the cargo on the ship consigned to them.

Seattle importers filed three actions against the Heian Maru which was carrying cargo for them. The suit was filed a few hours after the belated arrival of the Japanese liner.—United Press.

Permission to Unload

Washington, Aug. 2.

The Treasury Department yesterday granted the Tatuta Maru permission to unload all its cargo in San Fransisco, including US$3,000,000 worth of silk.

The Assistant Secretary of the Treasury, said that the vessel could have 50 hours in which to unload.

Mr. Sumner Welles, Under-Secretary of State, said at a press conference that libel suits would not be permitted to interfere with clearance of the Tatuta from San Francisco. Mr. Welles said he had assured Admiral Kichisaburo Nomura, Japanese Ambassador of that fact.

The United States Marshal's office in San Francisco earlier had issued writs of attachment against a portion of the Tatuta's cargo. The attachments were obtained by five American firms which demanded delivery of cargo on the ship consigned to them.—United Press.

Japanese Liner Sails

San Francisco, Aug. 4.

The Japanese liner Tatuta Maru, which experienced a week of uncertainty about her future owing to President Roosevelt's order freezing Japanese assets, has now secured clearance papers after discharging a cargo of raw silk.

She sailed for Japan today hard on the heels of a report from Tokyo that Japan has suspended all regular direct steamship services to the United States.—Reuter.

America Freezes Silk Stocks

Washington, Aug. 2.

The Office of Production Management yesterday announced that all silk stocks in the United States will be frozen effective from midnight on Saturday.

Previously the O.P.M. had advised Washington representatives of the Textile Workers Union that they would be unable to receive any more silk for making hosiery and other civilian items due to the Far Eastern crisis.

The Union, in turn, informed defence officials that strained relations between Japan and the United States probably would kill the silk industry in the United States.

Employees Affected

The O.P.M. said it had been notified by the Army and Navy that minimum military requirements for silk powder bags and parachutes during the coming year will be equal to the total stocks in the United States.

A spokesman said that the order has the effect of throwing out of work 175,000 employees of the silk industry. The mills may continue to operate only if they have unlisted investories or are permitted to process silk by the priorities division.—United Press.

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Nothing But Temper

By J. NORMAN LYND

FOREIGN TELEGRAMS (continued)

Havaii Seizure of Japanese Boats

Washington, July 31.

Mr. Elmer L. Irey, Chief Co-ordinator of the Treasury Department's Enforcement Agencies, asserted in his annual report yesterday that the recent seizure of 19 Japanese fishing boats operating in Hawaiian waters had been the climax of a "momentous case."

Although Treasury officials declined to discuss reports from other Government quarters that the seizure represented a partial round-up of spies in the Hawaiian area, informed sources said that crews of the seized vessels included officers of the Japanese naval reserve.

Mr. Irey reported to Mr. Henry J. Morgenthau, Jr., Secretary of the Treasury, that "in view of world conditions this (seizure) is regarded as the most momentous case developed by any enforcement agency of the Treasury during the fiscal year ended June 30."

Japanese Indicted

The Government indicted 71 Japanese, mostly aliens, and three Honolulu fishing companies last March as a result of the seizure.

Mr. Irey reported that the fishermen and owners of the vessels had made frequent requested return trips to Japan for the purpose of obtaining "medical treatment".

Mr. Irey reported that the fishing boats were known to be equipped with long-range radios sufficiently powerful to maintain communications with Tokyo and other Japanese shore stations. He said that some were also known to have had complete sets of hydrographic charts, including detailed outlines of the waters around Hawaii.

The Treasury did not state whether such equipment was seized when the vessels were taken over, but it was noteworthy that other reliable circles reported the Japanese had become aware of the investigation before actual seizures were made.

Further Investigations

It was understood that considerable information concerning the ship seizures would be turned over to the Intelligence Section of the Navy Department and to the Justice Department.

Simultaneously, Congressional circles were advised that the Administration's policy in the Far East was based on a desire to avoid an open conflict with Japan but at the same time to take sufficient measures to keep her from invading the Netherlands East Indies.

Such strategy would involve delay in embargoing all exports to Japan since Administration leaders feel that such a move would drive the Nipponese into further aggression.

Competent sources, however, described the United States as being ready for "affirmative" action should Japan continue her aggression.—United Press.

Other Measures Against Japan

London, July 31.

Authoritative quarters declared yesterday that as further economic measures against Japan, Britain will withdraw ships warrants from Japanese shipping lines. It was understood that this means that Japanese lines will not be able to use British-owned coaling stations and similar facilities throughout the world and also will be barred from transporting goods within the British Empire.

This would more or less automatically follow cessation of trade relations.

The Ministry of Economic Warfare, referring to scepticism expressed concerning the American and British freezing of Japanese assets, declared that "such machinery can be 100 per cent. effective which would mean bringing to a dead stop all trade with Japan from countries applying the freezing policy. However, the extent to which the machinery will be applied is a question of policy and not, at the moment, one which the Ministry can comment on."—United Press.

Sir Ronald Campbell Arrives in New York

New York, Aug. 3.

Sir Ronald Campbell, the new British Minister in Washington, reached New York yesterday by air on his way to take up his post.

He was asked by newspapermen what he thought about the question of United States troops taking part in the war. Sir Ronald said that this was a question seldom mentioned in Britain. "They think that is something very much up to you," he added.—Reuter.

Tutuila Bombing Incident Closed

Washington, Aug. 1.

Japan has promised a complete investigation of the bombing by Japanese aeroplanes of the American gunboat, U.S.S. Tutuila, at Chungking and has promised to make full indemnity for damage incurred, Mr. Sumner Welles, Under-secretary of State, announced yesterday.

Mr. Welles, who earlier had indicated that the United States was not satisfied with Japan's informal apologies for the bombing of the gunboat, said that as a result of Japan's promises the incident was now considered closed.

Mr. Welles told the press earlier in the day that it was a fair deduction to say that the Japanese reply so far had not been satisfactory.

Informal Apologies

He said that Mr. Joseph C. Grew, American Ambassador to Tokyo, had received only a preliminary reply to representations from the United States. He added that nothing further could be said in Washington until a definite reply had been received.

Mr. Grew received informal apologies from Admiral Teijiro Toyoda, Foreign Minister, and Mr. Kumaichi Yamamoto, Vice Foreign Minister.

Mr. Welles explained that the United States had lodged representations against the bombing with Japan, both in Washington and in Tokyo. Mr. Grew was informed that Tokyo had no details of the attack but regrets were expressed. A representative of the Japanese Navy Ministry telephoned the American Naval Attache and expressed regrets.

Mr. Welles then added that until Mr. Grew received a definite reply there would be no further statement in Washington.—United Press.

The Usual Regrets

Washington, Aug. 1.

Japan's apology for the bombing of the American gunboat Tutuila during a Japanese raid on Chungking appears to have cut little ice in the United States. The category to which it has been assigned is clearly indicated by news broadcasters and commentators, who said that Japan sent "the usual regrets."

There were plenty of people here besides Congressmen, who declared yesterday that the bombing was deliberate, and who believed that Japanese airmen meant to get the ship. They pointed out that the Tutuila and the American Embassy were not in Chungking but across the river and that the bombers did not need to interfere with fighters. Therefore, if it was not deliberate bombing it was amazingly careless and inaccurate.

It was remembered that Japanese spokesman delighted to enlarge on the excellence of the aim of their airmen and the fact that they bombed only military objectives. People here commented that the Japanese could not have it both ways and opinion here, based on reports from Chungking and their knowledge of what the Japanese have done in the past, led to the theory that the bombs were meant for the Tutuila and the Embassy.

Panay Incident Recalled

Moreover, though the Panay has been paid for, it should be remembered in Tokyo that the incident is not forgotten or forgiven and the Japanese still have to live it down if they desire better relations with the United States.

Yet another important point is that American opinion has been incensed by stories of the recent relentless and savage Japanese bombing of Chungking civilians. They know that the bombing of Chungking has been as indiscriminate as that of London and believe that it has the same objective—terrorization of the civilian population. There is ample sympathy here for Londoners, but more for the people of Chungking, for whereas Londoners had the R.A.F. with which to strike back, Chungking women and children had to weather scores of raids without the ability to strike back.

It may be, and probably is, argued in Japan that what happens to Chungking civilians is no concern of Americans. Possibly not, but the fact must be faced that America looks on China as one of the Allies fighting Fascist aggression, and that *she feels strongly about the four-year old Japanese aggression in China*, and this feeling is one which Japan is bound to weigh at a time when her relations with the United States are badly strained.—Reuter.

Costa Rica Stops Trade

Costa Rica, July 29.

The Costa Rican Government has decided to stop trading with concerns included in the British and American blacklists.—Reuter.

Duke of Kent Arrives In Canada

Ottawa, July 30.

The Duke of Kent has arrived here on a visit to Canada, where he will inspect R.A.F. training centres under the Commonwealth Air Training Plan.

The Duke was met at Rockliffe Airport by the Governor-General, the Earl of Athlone, Mr. W. L. Mackenzie King, the Prime Minister, and Mr. Malcolm MacDonald, British High Commissioner to Canada.—Reuter.

Ottawa, July 31.

The Duke of Kent was the guest of honour of Mr. W. L. Mackenzie King, the Canadian Prime Minister, at a dinner given in his honour on Wednesday night.

Before leaving on Sunday for western Canada on the first part of his tour of inspection, the Duke will visit Canadian Air Force stations at Trenton and Camp Borden in Ontario.

There will be no public functions during the Duke's visit to Canada. After western Canada the Duke will make a tour of inspection of Eastern Canada.—Reuter.

OBITUARY

Sir Emsley Carr

London, Aug. 1.

Sir Emsley Carr, Editor-in-Chief and Chairman of the popular Sunday newspaper "News of the World," died on Thursday night at his home at Walton-on-the-Hill. He was 74 years old.—Reuter.

Mr. W. R. Davis

Houston, Texas, Aug. 2.

The death here yesterday of William Rhodes Davis, the internationally known oil magnate, at the age of 52, recalls his activities at the time of the Mexican Government's expropriation of British and American-owned oil fields.

He was then reported to be negotiating a deal for the export of a large quantity of Mexican oil to Germany on a barter basis.

Shortly after the outbreak of the war Davis denied reports that he had arranged for the sale of Mexican oil to Italy for trans-shipment to Germany.—Reuter.

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SPECIAL ARTICLES

REACTIONS FROM HOME

By O. M. Green

The Slav community in London declare that Hitler is committing suicide (that community includes all the Balkan peoples as well as Russians). It seems safe to say that after some initial success the Germans have found the Russians much more formidable than they expected. A correspondent who was in Finland during the Russian invasion states that that was no criterion of what the Soviet army can do, the troops being largely novices who had no desire to fight against Finland. He also calls attention to the continual propaganda in Russia during the past two years on the urgent need of strengthening the frontier "against British incendiaries and bombers." Stalin of course knew perfectly well that he had nothing to fear from us. Because of his treaty with Hitler he could not give the danger he feared its real name. It would be very strange if Stalin ever trusted Hitler an inch.

A point worth notice is the strong emphasis that M. Molotov put on the national character of the war in his inaugural broadcast. He used no Communist slogans but called it by the term first used when Russia was invaded by Napoleon, "war for the Fatherland." There is no doubt whatever that the peoples of Russia who hate the Germans like poison have responded with an enthusiasm stimulated by their recollections of the humiliating peace of Brest-Litovsk and the new political consciousness born in them in the past twenty years. Hitler can make mistakes like other people, and he never did a sillier thing than in calling up reactionary Russian exiles to fight for him, promising to give them back their estates in Russia.

The eagerness in England to give all possible help to Russia is as palpable as the air breathed. One sign of it is the spontaneous offer of the coalminers' leaders to forego all holidays this summer in order to raise the coal output to its proper level. The coal question has been badly bungled. When Italy entered the war and France collapsed, the call for coal exports fell off heavily and in spite of the fact that even then the nation was not getting all the coal it wanted, thousands of miners were allowed to drift off into other work or to be conscripted. England is faced with a shortage of coal next winter not only for households but for industry and absenteeism has increased the shortage. This accusation has caused bitter controversy. But the truth of it is now admitted by Mr. Bevin in a warning he has issued that miners who stay away from work without sound reason will be sent into the ranks. I do not think it will come to that. Even Mr. Gallacher, our one Communist M.P., has declared that British Communists will now help the Government tooth and nail to help the Soviet.

* * *

We have begun by battering the Germans very satisfactorily from the air. The Ruhr, all northwest Germany and the centres of German industry in occupied France have been getting a thorough pasting. What is so specially satisfactory is that the bulk of this fighting has been done by day, and over France or far out over the Channel. No doubt the best of the German pilots have been sent to the Eastern front, but when one contrasts our losses over enemy territory with the German losses in the Battle of Britain (though they certainly outnumbered us then by 10 to 1) such results are indeed striking. There is also no doubt whatever that the intrinsic superiority of our new aeroplanes over the new German models remains as marked as ever. The new Messerschmitt, of which the Germans boasted inordinately, has been encountered and easily dealt with by our new Spitfires and Hurricanes.

* * *

Sir Mark Young, the new Governor of Hongkong, is one of two brothers who have progressed on parallel lines in the Colonial Service. His elder brother Sir Hubert is Governor of Trinidad, Sir Mark who has lately been Governor of Tanganyika Territory is a sturdily built man, with a kindly smile, a good lawn tennis player, who gave frequent parties on his court at Dar-es-Salaam and used to read the Lesson in Church. He is hardly going to a bed of roses in Hongkong (if anyone expects or wants such a thing in these days) but his task may be lightened by the evident bewilderment of Japan over the almost unbelievable weather cocking of Hitler's policy since she was first so foolish as to have anything to do with him. Time was when one thought the Japanese rather a clever people, but anything worse than their recent diplomacy could hardly be imagined.

Apropos of diplomacy Mr. Eden's recent selections are not quite an example of the promotions from the lower deck which are hence forward to be the practice if not the rule, since most of them began at Eton or Harrow. But they are all well under 50 except Sir Ronald Campbell lately our Minister in Belgrade, who is 51, and even that seems to some of us enviably juvenile. They are all described as a perfect brain trust, notably Mr. Oliver Harvey who becomes Mr. Eden's principal private secretary, after having distinguished himself as Minister in Paris, Sir Ronald Campbell who went as Minister to Washington, undoubtedly did splendid work in Yugoslavia. The fact that he managed to bring away the bulk of the British community there was a great feat.

* * *

If the Diplomatic Service is to be reformed two things seem to be supremely necessary. One is to abolish the diplomatic voice. Recently a lecture was given by a very eminent diplomatist on a particularly interesting subject. His lecture was probably admirable to read, but he read it rapidly in a low toneless formal voice all on one note without the faintest attempt to emphasize any points, so all went to sleep. One has come across that sort of voice, with manner to match, and to ordinary folk it is simply infuriating. But far more important is it that our diplomatists should be allowed to function as such. Since the last war through all the era of futile conferences by peripatetic politicians our ambassadors and ministers have been reduced to "little better than messenger boys."

Then with years and years of experience in handling the alien had their jobs taken from them to be bungled by men whose only qualification was that they might have sat for a year or two in a Minister's chair in Whitehall. It is said to be a fact that our Embassy in Paris faithfully warned our Government, a long time before the fatal event that France would collapse after a fortnight's fighting with Germany. Everyone remembers the outcry against secret diplomacy after the last war. But it had kept Europe out of a general conflagration for a century, and might well have averted the Four Years' War if its advice had been heeded.

* * *

An event took place not long ago which would have seemed impossible a year ago when, at a luncheon in honour of the Belgian Government, given by the British Chamber of Commerce of Belgium, the President of the Board of Trade proposed the toast of King Leopold and paid him a glowing tribute for his steady refusal to work with the Germans and for the example which like his father he had set to the Belgian people.

But in this Captain Lyttelton voiced a now general feeling. The full facts of King Leopold's surrender are given in a carefully documented book ("The Prisoner of Laeken": Cresset Press) by M. Emile Cammaerts, which has appeared in London. M. Reynaud's bitter accusation was in fact completely unfounded. The initial cause of disaster was the French defeat on the Meuse, which compelled the Belgians to fall back from strong prepared positions. After four days desperate fighting they found themselves penned in a tiny corner of Belgium, hampered by swarms of refugees, and without food or water. In answer to the King's appeal they hung on to the last in order to co-operate with Gen. Weygand's expected winter offensive, but that offensive never came. King Leopold certainly sent ample warning beforehand to the Allies that he had no option but to surrender but owing to the state of the battle the message never reached them. Since then King Leopold has faithfully carried out his promise to his army to stay and "share their fate." He is no Quisling, but as Admiral Sir Roger Keyes said from the outset when begging the world to withhold judgment, "a very gallant gentleman."

STRAY NOTES

Weihaiwei, July 12.—It is just at this time of year that I see stray cats lurking among the scrub-oak in the hills: and when we add to this the fact that this is the time when so many young Rock Pigeons and Hill Partridges are feeding in the same place, some hundreds of feet above human habitations, it does not take a Sherlock Holmes to deduce the cats' objective. Thinking thus, it came to my mind that it would be a wonderful act of retribution if the Great Eagle Owl which lives quite near us came swooping over one day and carried off a cat: almost any large bird of prey can kill a hare: Eagles are known to take lambs etc. . . . so why should not an Eagle Owl deal with a cat if it comes poaching in his preserves? Strangely enough I soon found an answer in the April number of "The Ibis" headed. "White Owl (*Tyto alba*) taking a kitten":

> "My brother tells me of the following incident which occurred at his estate at Theberton, in Suffolk....One evening just after dark the cries of a kitten were heard coming from the park... and were traced to a limetree some 18 feet from the ground. A ladder was brought...a White Owl flew out...and a small black kitten was found in an empty nest. The kitten was recognized as one of a litter from the farm some 200 yards distant... Doubtless the kitten was mistaken for a rat...but on reaching the dining room it was found that some mistake had been made, and no doubt the kitten's cries coming from an imagined rat made the Owl pause in his repast, a respite which saved the little animal's life."

It is sad to relate that although there were no visible injuries the kitten did not live to be two months old, presumably having received internal injuries: but its spirit (if any) can at least be comforted in knowing that it has taught me a lesson: if a kitten, a few days old, can by use of cries and claws defeat a bird so large as a White Owl, it is hardly likely that even the fabulous white Roc of Sinbad the Sailor (which could "truss elephants in its talons") would tackle an animal so tenacious of life as a full-grown cat.—E.S.W.

* * *

Aug. 3.—Many modern ornithologists perform weird experiments in order to prove that birds have no real intelligence and that they are, in fact, something in the nature of automatons or robots, recognizing one another only by certain marks or sounds. One example brought up in support of such theories was the case of a pair of Flickers—a kind of Woodpecker in America—whose plumage is much alike, except that the male has a big black whisker on each side of his chin (sounds almost human). Well, some clever ornithologists caught the female and fitted her up with false whiskers, then let her loose again to join her boy-friend: the latter, seeing her from the back, started his usual courting scene, and the lady, responding in her own affectionate manner, turned round to look at him: the gentleman Flicker, catching sight of the whiskers, flew into a rage and chased the poor lady all round the block.....while the ornithologists stood by and referred to him as an automaton and/or robot. So now for a human parallel. I happen to know the case of a man in Shanghai, helping with an A.D.C. show, who, finding one of the chorus girls missing, pulled on her (country) costume including a mob-cap, which he filled with paper to represent hair, and did all her chorus work without anyone in the audience, or any of the twenty-odd girls on the stage, spotting the deception: and I know that the same man once went to a fancy-dress ball (for a bet) dressed as a very bold hussy .....and while chatting with a much-married man, suddenly found the latter being hurried away by a jealous and angry wife. And the moral of my story is this: if several hundred human beings can be deceived by a mob-cap stuffed with paper, and some hundreds more by a flaxen wig (with trimmings)....why accuse a poor Flicker of having no real intelligence because he fails to recognize his girl-friend when she has been fitted up with whiskers by artful ornithologists?—E.S.W.

ALONG THE HIGHWAYS

July 27.—To continue our discussion on poppies. Another useful species is the Oriental Poppy (*Papaver Oriental*). This is a native of the Mediterranean regions. It has rough and hairy stems and leaves, the latter being well over one foot in length. The type has scarlet flowers about seven inches across. *P. bracteatum* is said by some authors to be a separate species, but others consider it to be just a variety of the Oriental Poppy. In any case, there are many hybrids between the two and some of these, bearing large flowers with silky petals, are worthy of a place in any garden. The Alpine Poppy (*P. alpinus*) from the Alps, is a low-growing species that looks very charming on a rockery. It only grows to a height of six inches and out of a mixed packet of seed some beautiful colours will be obtained. It does not like too much moisture, but if it is given a well-drained position, it will grow. Last but not least, we come to the Opium Poppy (*P. somniferum*). This is an annual and a native of Greece and the Orient. The plants grow four to five feet in height and the foliage always has a glaucous hue which is most attractive: the petals drop easily, however, and they are useless for vase decoration. There are many double horticultural forms of this poppy, some being termed Carnation and others Peony-flowered. The name "white poppy" was given to this plant owing to the colour of the seeds, but since that time, a variety with black seeds has appeared. We were recently reading an account of the Opium Poppy which was written about 1800 by a namesake of ours, Mr. W. Kerr (who, incidentally, does not appear to have been a great favourite with Dr. Livingstone) writing of poppy cultivation in Persia, Arabia and India, tells us that fields were prepared by the plough and harrow and made level, they were then divided into plots about seven feet long by five feet wide. Seed was sown in October and plants allowed to grow about six inches apart: they were well supplied with water until they were seven or eight inches high; at that time, the growers discontinued watering, but they applied a top-dressing of a mixture of ashes and manure between the plants.—W.J.K.

(To be continued)

July 27.—(*Papaver somniferum*, continued) When the plants started to flower, watering was recommenced and they were kept constantly moist, but as soon as the capsules were half developed, watering ceased again and the collection of opium commenced. It appears that at sunset each day for four days, all helpers were busy making longitudinal double incisions in each capsule, taking great care not to injure the internal cavity during the progress of the work. The work was carried out at sunset owing to the fact that the night dews favoured the exudation of the juice. Early each morning, all hands would be busy scraping off the juice from the wounds in the capsules and placing it in a pot; this was later worked by hand in bright sunshine until it became thick. The next job was to make cakes of opium about four pounds in weight and dry these under large leaves until they were fit for sale. Even in those days, all men were not honest, for we read that the opium was frequently adulterated by adding an extract of the poppy plant obtained by boiling stems and leaves or by an admixture of cow dung. There are many plants that are commonly called poppies and included amongst these is the Matiliji Poppy (*Romneya*) one of the wild flowers of California where it is a great favourite. California Poppy is the common name of *Eschscholzia* although *Platystemon californicus* is often referred to by the same terms. The Welsh Poppy is *Meconopsis cambrica*, a dwarf-growing plant with most attractive foliage that loves to be planted in a shady corner. Tropical America has given us the Prickly Poppy (*Argemone mexicana*) while the Plume Poppy (*Bocconia cordata*) is a native of China. This plant, with its glaucous fig-like leaves, is often seen in local gardens. It is a stately perennial and small cream-coloured flowers are produced in abundance during the Summer on large spikes that look like plumes from a distance. The plants should be grown in a bed by themselves for they are quite attractive after they have finished flowering, their flat seed pods have a graceful appearance when moved by a gentle breeze.—W.J.K.

* * *

Aug. 2.—A fine plant of the night-blooming Cereus (*Selenicereus grandiflorus*) must be feeling very disappointed these days; that is, if plants can feel disappointed. It was covered with buds a week ago and taken down to Hayim's garden for display on "British night," July 30 when it was a gorgeous sight; but unfortunately the performance of "Moonlight Follies" had to be postponed that night owing to rain and the plant bloomed unseen by many hundreds of people who we should have liked to have seen admiring its beauty. There are many who have not seen this nocturnal blooming plant in flower and we have always considered it a great pity that such gorgeous pure white flowers, over six inches across, should remain open for a few hours only. However, we might be able to find another plant somewhere in town that may be willing to oblige us with a display one night: the one we had ready had twelve flowers open at the same time, but there are several larger specimens here and if only one of them could be persuaded to flower just when we want it to do, we shall all be happy. It appears that bees can be cheated sometimes; several plants of the Trumpet vine were recently made to appear still more attractive by adding a large number of artificial flowers on the vines and we noticed on several occasions that bees alighted on the flowers only to fly away again almost immediately with a shrug of their shoulders. We were rather at a loss to understand a telephone conversation the other day. We were ordering red, white and blue flowers and were advised that red and white Gladiolas and Bluebells could be supplied that would give us the colour scheme required. We waited impatiently for the arrival of the delivery coolie, for we had no idea that bluebells flowered at the end of July in Shanghai. On arrival of the flowers, they turned out to be the Chinese Bellflower (*Platycodon grandiflorum*) a beautiful local perennial that grows about two feet or so in height and produces purplish-blue flowers at the end of the stems. This plant is a member of the Campanula family and division of the roots should not be attempted before growth commences during the Spring.—W.J.K.

IN PARENTHESIS

Definite Rebuke

"I asked if I could see her home."
"And what did she say?"
"She said she'd send me a photo of it."

* * *

Moment of Weakness

A man was recently charged with making away with a ton of metal from a munitions factory. His plea that he did it in a moment of weakness was not accepted.

* * *

Good Enough

It is stated that a Japanese averring that there was no word in the Japanese language for "freezing" spoke of recent developments as the application of the "ice-box policy."

* * *

Posted To Hamm

Said a certain Boche porter: *Verdamm!*
What a foolish young fellow I am!
Inspired by the notion of early promotion
I've got myself posted to Hamm.

* * *

Quiet, Please!

Customer: "Do you play anything by request?"
Delighted Musician: "Certainly, sir."
Customer: "Then please play dominoes until I finish my dinner."

* * *

Economy

"I hear that our fire chief has discharged the new efficiency expert."
"What for?"
"He put unbreakable glass in the fire alarm boxes!"

* * *

Expensive Sport

"My time," said the magnate, "is worth $100 a minute."
"Well," answered his friend casually, "let's go out this afternoon and play $10,000 or $15,000 worth of golf."

* * *

Revised Version

The cadets were eagerly awaiting their dinners at a certain RAF training school, where the sea air seems to create perpetual hunger. One of them was overheard to remark: "Never was so little waited for by so many for so long."—"Manchester Guardian."

* * *

Somewhere is Russia

U.P. message from Berlin:—Informed quarters simultaneously declared that German troops had occupied an unnamed city on the upper Dniester on an unstated date. The Germans captured more than 10,000 prisoners although "the city was particularly stubbornly defended," these quarters stated. This sort of success is announced in this manner to prevent the Russians from knowing which city they have lost.

* * *

U.S. Press Howlers

Latest in strip-tease was revealed in a headline in the Columbus Ohio "State Journal:"

"Girl Prisoner Gives Slip To Captor."

Birmingham newspaper men tell: Once the "Age-Herald" decided to discontinue use of the word "local" when being used to describe hotels and hospitals. Birmingham hospital or Birmingham hotel was to be the style.

Shortly afterwards, a prominent Birmingham man underwent a minor operation. The reporter writing the story stated: "A local anesthetic was administered."

A man on the copy desk, remembering the new policy regarding the word "local," changed the story to read: "A Birmingham anesthetic was administered."

* * *

Hogarth's Art

A rich nobleman sought to engage William Hogarth, the great English painter and pictorial satirist, to paint in his staircase the scene of The Passage of the Red Sea. Hogarth was unable to obtain the contract price which he knew such a task was worth, and had to undertake the work according to the hard bargain which his customer insisted upon.

In a remarkably short time after setting up his scaffold, Hogarth summoned the nobleman and told him the work was completed. Surprised at this early announcement, his lordship went to examine the picture, and was much surprised to find the space painted a solid red.

"What have you here?" he exclaimed in dismay. "I ordered a scene of the Red Sea."

"The Red Sea you have," said the artist coolly.

"But where are the Israelites?"

"They are all gone over."

"And the Egyptians?"

"Why the Egyptians—they are all drowned."

* * *

Of All Things

Some people believe that Hitler is making the same mistake Napoleon made. At any rate, it would do no harm to sweep out a nice room at St. Helena.

At this writing, no one knows the real reasons behind the German attack upon Russia. Perhaps it was merely that the Führer had kept a treaty as long as his great, patient heart could bear.

At that interview at Berchtesgaden, John Cudahy says, "Hitler looked pale, tired, and dyspeptic, evidently suffering from nervous strain." It is some comfort to know that he isn't having any fun, either.

* * *

From the U.S. Press

Bride-to-be Honoured Friday at Stock Shower
—Lomita (Cal.) "Progress."

"Nine Fort Worth girls and four counselors left last week for a sex-week stay at Camp Waldemar."
—Fort Worth "Star-Telegram."

Before rigor mortis set in, no doubt:
Police Think
Slain Girl
May Have
Hailed Taxi
—Washington "Post" headline.

It was probably a fortunate thing that the proofreader of the Titusville (Fla.) "Star-Advocate" caught the error in the society page item which included the following sentence: "Mr. and Mrs. Egbert Osteen entertained last week-end at a louse party." But imagine her surprise when the mistake was revised to read "souse"!

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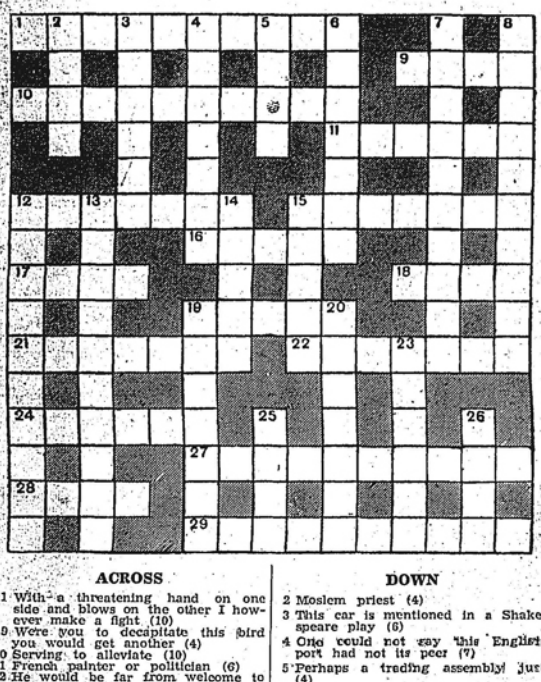
CROSSWORD PUZZLES

(By Arrangement with the "Daily Telegraph.")

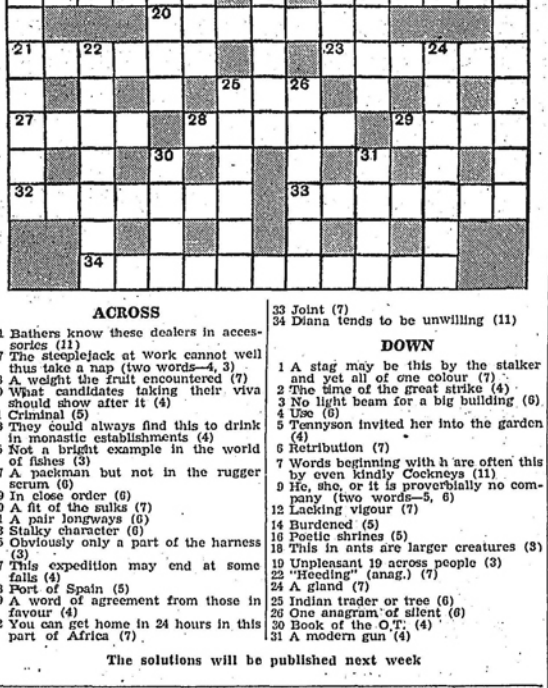


ACROSS

1 With a threatening hand on one side and blows on the other I however make a fight (10)
9 Were you to decapitate this bird you would get another (4)
10 Serving to alleviate (10)
11 French painter or politician (6)
12 He would be far from welcome to weary hikers unless cut in two (7)
15 Petulant like a pampered favourite (7)
16 You may in a moment guess this part of Scotland or in a month (5)
17 Kind of cake (and as moist than one might fit choose the hard'er) (4)
18 This cask though no light matter may be an object of derision (4)
19 Fish that may support birds (5)
21 Famous portrait painter (7)
22 No chance visitor (7)
24 Rapt description of a camper at home (6)
27 Epithet for the profiteer (10)
28 Wise fish avoid this part of Holland (4)
29 This plant may be of other hues besides dusky (10)

DOWN

2 Moslem priest (4)
3 This car is mentioned in a Shakespeare play (6)
4 One could not say this English port had not its peer (7)
5 Perhaps a trading assembly! just (4)
6 The favourite poet of the R.A.? (7)
7 "Quiet to run" (anag.) (10)
8 A handy writer of spirited material (10)
12 Straightforw ard sound of a direction (10)
13 The sort of business that should take up one's time (10)
14 Another English port (5)
15 Nearly roast (5)
19 A change for a painter (7)
20 "Ship-tar" (anag.) (7)
23 Book of the O.T. (6)
25 This way suitably enough may lead to the dock (4)
26 In this stock nothing would be discovered (4)



ACROSS

1 Bathers know these dealers in accessories (11)
7 The steeplejack at work cannot well thus take a nap (two words—4, 3)
8 A weight the fruit encountered (7)
10 What candidates taking their viva should show after it (4)
11 Criminal (5)
13 They could always find this to drink in monastic establishments (4)
15 Not a bright example in the world of fishes (3)
17 A packman but not in the rugger scrum (6)
19 In close order (6)
20 A fit of the sulks (7)
21 A pair longways (6)
23 Stalky character (6)
25 Obviously only a part of the harness (3)
27 This expedition may end at some falls (4)
28 Port of Spain (5)
29 A word of agreement from those in favour (4)
32 You can get home in 24 hours in this part of Africa (7)
33 Joint (7)
34 Diana tends to be unwilling (11)

DOWN

1 A stag may be this by the stalker and yet all of one colour (7)
2 The time of the great strike (4)
3 No light beam for a big building (6)
4 Use (6)
5 Tennyson invited her into the garden (4)
6 Retribution (7)
7 Words beginning with h are often this by even kindly Cockneys (11)
9 He, she, or it is proverbially no company (two words—5, 6)
12 Lacking vigour (7)
14 Burdened (5)
16 Poetic shrines (5)
18 This in ants are larger creatures (3)
19 Unpleasant 19 across people (3)
22 "Heeding" (anag.) (7)
24 A gland (7)
25 Indian trader or tree (6)
26 One anagram of silent (6)
30 Book of the O.T. (4)
31 A modern gun (4)

The solutions will be published next week

SOLUTION OF LAST WEEK'S PUZZLES

TOP PUZZLE.—ACROSS: 1, Bounder; 8, Pit-pony; 9, Cat-call; 10, As a rule; 11, Aspirin; 14, Astern; 18, Genie; 20, Mating; 22, Diadem; 23, Gourd; 25, Nipper; 26, Overdue; 29, Spurned; 32, Tonneau; 33, Paid out; 34, Retinue. DOWN: 1, Backgammon; 2, Unto; 3, Draw; 4, Rolling; 5, First aid; 6, Spirit; 7, Angler; 12, Put up; 13, Range; 15, Seine; 16, Ended; 17, Nom de plume; 19, Ear; 21, Gorgeous; 24, Dog star; 26, In play; 27, Parade; 30, Gnat; 31, Tern.

BOTTOM PUZZLE.—ACROSS: 1, Stocktaking; 9, Orpen; 10, Skye terrier; 11, Sense 12, Mould; 15, Cycle; 17, Ash; 18, Stag; 19, Aphis; 22, Keene; 23, Cargo; 24, Defer; 26, Note; 27, Sol; 28, Aught; 30, Ditch; 33, Token; 35, Trick-riding; 36, Menai; 37, Closefisted DOWN: 2, Tokyo; 3, Creel; 4, Thew; 5, Kerry; 6, Gorse; 7, Spendthrift; 8, Undergrowth; 12, Marking time; 13, Undertaking; 14, Dazed; 15, Chaff; 16, Lei; 20, Hirst; 21, Scold; 25, Emu; 28, Antic; 29, Hocus; 31, Indus; 32, Canoe; 34, Graf.

SHIPPING NEWS

Due at Future Dates

All vessels are listed under their terminal port. The first date is that of the ship's departure from that port and the second is the date she is due to arrive in Shanghai. Where a ship's name is duplicated it indicates the port of call last visited.

On account of the present international situation, publication of the movements of vessels of several leading shipping lines are not permitted to be published.

AMERICA AND JAPAN

From Los Angeles
Yawata M 7/7 18/8
Asama M — 12/9

From Honolulu
Yawata M 16/7 18/8

From Yokohama
Okitu M — 7/8
Genoa M — 23/8

From Kobe
Kobe M 5/8 7/8
Taiyo M 12/8 14/8

From Nagasaki
Kobe M 5/8 7/8

Vessels Sailing

The undermentioned vessels are due to leave Shanghai on the dates indicated.

For Karachi
Okitu M 7/8
Genoa M 24/8

For Manila
Yawata M 19/8

For Hongkong
Okitu M 7/8
Genoa M 24/8

For Kobe and Yokohama
Taiyo M 6/8
Kobe M 8/8

For Kobe and Yokohama
Yawata M 29/8
Asama M 12/9

For Nagasaki
Shanghai M 6/8
Kobe M 8/8
Nagasaki M 10/8

For Dairen
Tientsin M 8/8
Hoten M 11/8
Tsingtao M 7/8

BIRTHS

MORGAN.—On July 30, 1941, to Sophie, wife of A. R. Morgan, Hankow, a daughter, IRENE.

PERSON.—On July 28, 1941, at Asheville, N.C., to Louise (née Van Evera) and Harold J. Person, a daughter, MARY HELEN.

SINCLAIR.—On July 30, 1941, at the Country Hospital, Shanghai, to Mr. and Mrs. ARCHIE C. SINCLAIR, a daughter.

SMITH.—On July 29, 1941, at the Country Hospital, Shanghai, to ISABEL, wife of Ernest C. Smith, a son.

WILLIAMS.—On July 30, 1941, at Hongkong, to Mr. and Mrs. C. L. WILLIAMS, a son.

ENGAGEMENT

RIDDER HUYSSEN van KATTENDIJKE—KLEYN.—Mr. and Mrs. L. J. Kleyn of Shanghai wish to announce the engagement of their eldest daughter, WILHELMINA (Pop) KLEYN, to HUGO RIDDER HUYSSEN van KATTENDIJKE, eldest son of Mr. and Mrs. G. O. F. Ridder Huyssen van Kattendijke of Gorssel, Holland.

MARRIAGES

BURKILL—SKINNER.—On July 28, 1941, in London, Albert William Burkill, O.B.E., and Catherine Isabelle Skinner.

HERMANN—BERNSTAM.—On July 29, 1941, at New York, N.Y., U.S.A., Sylvain, son of Mr. and Mrs. J. Hermann of New York, and Betty, eldest daughter of Mr. and Mrs. S. M. Bernstam of Shanghai.

HULL—WILSON.—On August 2, 1941, at the Union Church, the Rev. C. W. Allan officiating, Constance Margaret, daughter of Mrs. J. T. D. Wilson of Shanghai, to Amos Tyler Hull Jr. son of A. Tyler Hull, of Hampton, Virginia.

KING—MACKENZIE.—On August 1, 1941, at H.B.M. Consulate-General, Shanghai, before Mr. L. H. Lamb, and at Holy Trinity Cathedral by the Very Rev. Dean Trivett, M.A., D.D., Margaret, only daughter of Mr. and Mrs. Hugh Mackenzie, late of Hankow, to John Willis, elder son of Mr. and Mrs. Walter King of Purley, Surrey.

MORRISON—NEUBAUER.—On July 29, 1941, in Hongkong, Ian Morrison, of the British and Chinese Corporation, to Maria Therese Neubauer.

SHAW—PEVNEVA.—On August 2, 1941, at H.B.M. Consulate-General, Alexandra, only daughter of the late Serge Pevneva, and Mrs. Anna Pevneva, of Sevastopol, and Percy, only son of the late John Shaw, of Wallasey, England, and Mrs. Lydia Shaw.

DEATHS

FEARON.—On August 2, 1941, at the Country Hospital, Shanghai, LANCELOT LOW FOSTER FEARON, (English and Malayan papers please copy.)

KAZANJOGLOU.—On August 1, 1941, at The Shangahi General Hospital, BASIL KYRIACO KAZANJOGLOU, aged 55 years.

YANG.—On Sunday, August 3, 1941, at The Country Hospital, Shanghai, YANG MOU NAN, aged 70 years, (Retired Compradore of Messrs. Butterfield and Swire, Ltd.) dearly-beloved father of Siao Nan, Fred, Jenken, Lily and Yueh Ching. (Chefoo, Tientsin, Hongkong, Tsingtao and Macao papers please copy.)

IN MEMORIAM

DONELEVSKY.—In everloving memory of our beloved Mummy, EUGENIE DONELEVSKY, who passed away on August 6, 1940. Nina, Bob and Dolph.
"Ever in our thoughts."

In ever-loving memory of my beloved husband, and daddy of Bobby, JAMES (JIM) HUNTER, who departed this life on July 31, 1934.
"Ever in my thoughts."

In ever-loving memory of my dear husband, JOHN HILDING DAHLIN, who departed on August 4, 1940.
"Ever in my thoughts"
Kerstin Dahlin

SICCAWEI METEOROLOGICAL REPORT

Day of month	Barometer 9 A. M.	Barometer Att'ed Therm	Wind Direction a.m.	Wind (1-12)	Hygrometer 9 a.m. Dry	Hygrometer 9 a.m. Wet	Thermometer in Shade Max.	Thermometer in Shade Min.	Weather Conditions
July 25	29.80	79.0	E S E	1	80.4	77.7	88.3	74.7	O.
" 26	29.77	79.3	E S E	1	75.2	74.1	82.0	73.8	R.
" 27	29.80	78.4	N N E	1	76.8	73.6	84.9	68.9	O.
" 28	29.85	78.8	E S E	1	77.0	75.2	79.3	72.3	O.
" 29	29.84	78.3	S S E	1	79.2	76.1	89.6	70.5	C.
" 30	29.87	79.0	Calm	0	80.2	76.8	91.0	72.7	C.
" 31	29.93	80.2	E/S	1	82.4	78.8	89.2	74.7	B. C.

EXPLANATION

B—blue sky F—fog H—hail M—misty (hazy) R—rain T—thunder
O—clouds D—drizzle L—lightning O—overcast (dull) S—snow Z—calm

SHANGHAI THERMOMETER READINGS FOR THE WEEK

In the open air in a shaded situation in the Foreign Settlement

Date	Minimum Temperature 1941	Minimum Temperature 1940	Maximum Temperature 1941	Maximum Temperature 1940	Rainfall 1941	Rainfall 1940
July 25	71.0F.	— F.	86.0F.	99.0F.	Trace	Nil
" 26	73.0	78.0	83.0	94.0	0.15 in.	Nil
" 27	70.0	78.0	82.0	93.5	0.31	Nil
" 28	73.0	78.0	83.0	94.0	0.17	Nil
" 29	72.0	—	87.0	94.5	Nil	Nil
" 30	74.0	78.0	89.0	92.0	Nil	Nil
" 31	70.0	79.0	88.0	90.0	Trace	Trace

From Daily News Ads.

The ordinary yearly meeting of the Yangtze Insurance Association, Limited, will be held on August 7, 1941.

The ordinary meeting of shareholders in the North China Insurance Company, Limited, will be held on August 7, 1941.

The name of the Oriental Wares (Proprietary) Limited, has been struck off the British Register of Companies, at Shanghai.

Captain Samuel Clifford Smith (of Messrs. Paulsen and Bayes-Davy) has been authorized to sign the firm of Lacey & Cannan, Limited, per procuration.

Persons having claims against the estate of the late Leonard Arthur Lyall are requested to send particulars to Messrs. Hansons, 49 Szechuen Road, Shanghai, by October 6, 1941.

The 11th annual general meeting of shareholders in the Union Brewery Limited will be held at the offices of the company, Wayfoong House, 220 Szechuen Road, on August 18, 1941.

As notified by the Shanghai office of the Superintendent of Customs, instructions have been received from the Central Government purporting a 100 per cent. increase in the Consolidated Tax on cotton yarn and cement.

All persons having claims against the estate of the late Richard Hedley Strangman who died at Victoria, British Columbia, on November 27, 1940, are requested to send particulars to Messrs. Hansons, 49 Szechuen Road, Shanghai, by October 6, 1941, after which date the assets will be distributed regardless of claims not notified by the above term.

The board of directors of The Shanghai Exploration and Development Co., Ltd., have declared an interim dividend for the year ending December 31, 1941, of $2 local currency per share on the issued capital of the company, plus a special bonus interim of $2 local currency per share, payable on August 18, 1941, to shareholders on the register at that date. The transfer books will be closed between August 7 and 16.

At a special general meeting of shareholders the Wah Shang S.S. Co., Ltd., Shanghai, a resolution was passed to the effect that the company be wound up voluntarily and Mr. Yih Zeu-Fong be appointed as liquidator. The creditors of the company are requested forthwith to send their names, addresses and particulars of their claims, together with proofs thereof, to the office of Wei & Company, 40 Ningpo Road, Shanghai. All debtors are also requested to pay their debts to this office by August 15, 1941.

At an extraordinary general meeting of the Crittall Manufacturing Company (China) Ltd., held on July 30, 1941, the following special resolution was passed unanimously: "That the Crittall Manufacturing Company (China) Ltd. be wound up voluntarily and that Messrs. E. F. Hardman, C.A. and H. R. Cleland, C.A., both of 2 Peking Road, Shanghai, be appointed liquidators, jointly and severally, to conduct the winding up."

All persons having any claims upon the estate of the late Lilian Tayler who died in Shanghai on June 24, 1941, are required to send in writing particulars to Messrs. Ellis & Hays, 137 Peking Road, Shanghai, before October 1, 1941, after which date the assets will be distributed among the persons entitled thereto. Those indebted to the said estate are required to make immediate payment to Messrs. Ellis & Hays.

In accordance with the instructions of the Ministry of Finance of The Central Government, the exportation of the following articles from Shanghai (including re-export, ex bond and transhipment), unless specially permitted, shall be prohibited: Hides and leather, bran, rice and paddy, wheat and wheat flour, dyes, dyestuffs, pigments, paints and varnishes, edible vegetable oils, rubber, coal, cotton and cotton waste, hemp, jute and ramie, sheep's wool, ores, metals and manufactures thereof, chemical products for medical and industrial use.

CHINA'S SKIES FOR AUGUST

PHENOMENA

12.—At 6 p.m. Mars and Moon in conjunction. Mars 2° S.
15.—At 9 p.m. Saturn and Moon in conjunction. Saturn 3° N.
17.—At 11 a.m. Jupiter and Moon in conjunction. Jupiter 5° N.
18.—At 8 a.m. Venus and Neptune in conjunction. Venus 0°, 3. S.
19.—Mercury: Superior conjunction.
25.—At 4 p.m. Venus and Moon in conjunction. Venus 0°, 5. S.

Constellations at 8 p.m.

In the North Vega, on the meridian, near the zenith. The constellation Hercules is near this star, a little Southwest. The Sun, with its family of planets, runs towards a point of this constellation, the apex, on account of the retation of the galaxy.

In the East Andromeda and Regulus. Above, Altair will transit the meridian, after one hour. In the North of Altair, in the first vertical, in Cygnus. In the South Antares has crossed the meridian, one hour ago. In the West Arcturus shines in the first vertical. The Milky way runs from the northeast to Southwest.

Phases of the Moon

7.—	Full Moon	1.38 p.m.
15.—	Last Quarter	9.40 a.m.
23.—	New Moon	2.34 a.m.
29.—	First Quarter	10.04 p.m.
15.—	Moon in Apogee	2.00 a.m.
27.—	Moon in Perigee	9.00 a.m.

RISING AND SETTING OF MOON

	Rises	Souths	Sets
1.—	1.10 p.m.	6.48 p.m.	
5.—	5.08 p.m.	10.37 p.m.	3.06 a.m.
10.—	9.39 p.m.	2.02 a.m.	8.04 a.m.
15.—	11.38 p.m.	5.43 a.m.	0.30 p.m.
20.—	2.48 a.m.	9.45 a.m.	4.40 p.m.
25.—	7.50 a.m.	2.03 p.m.	8.13 p.m.
30.—	1.08 p.m.	6.37 p.m.	

RISING AND SETTING OF SUN

Rises	Mean-Apparent Time	Sets
1.—5.16	Add 6 min. 14 sec.	6.50
8.—5.21	Add 5 min. 36 sec.	6.50
15.—5.25	Add 4 min. 29 sec.	6.43
22.—5.30	Add 2 min. 57 sec.	6.35
29.—5.34	Add 1 min. 03 sec.	6.23

Corrected to Sundial

Aspects of Principal Planets

Mercury.—In the constellation Gemini, moves through Leo.

	Rises	Sets	Amplitude	Magnitude
1.—	4.03 a.m.	5.47 p.m.	20° N	—0.4
16.—	5.15 a.m.	6.37 p.m.	17 N	—1.5

Venus.—In the constellation Leo, enters Virgo, at the end of the month. Occulation by the moon on the 25th of Venus.

1.—	7.29 a.m.	8.23 p.m.	13 N	—3.3
16.—	7.56 a.m.	8.10 p.m.	4 N	—3.0

Mars.—In the constellation Pisces.

1.—	10.20 p.m.	10.30 a.m.	2 N	—1.0
16.—	9.36 p.m.	9.56 a.m.	5 N	—1.3

Jupiter.—In the Constellation Taurus.

1.—	1.19 a.m.	3.11 p.m.	25 N	—1.7
16.—	0.30 a.m.	2.24 p.m.	25 N	—1.8

Saturn.—In the Constellation Taurus.

1.—	0.22 a.m.	1.46 p.m.	20 N	+0.4
16.—	11.26 p.m.	0.50 p.m.	20 N	+0.3

Uranus.—In the Constellation Taurus.

1.—	0.22 a.m.	2.04 p.m.	20 N	6.0
16.—	11.25 p.m.	1.07 p.m.	20 N	6.0

Neptune.—In the Constellation Virgo.

1.—	9.01 a.m.	9.15 p.m.	2 N	8.0
16.—	8.04 a.m.	8.18 p.m.	2 N	8.0

Occultations of Stars by Moon

D	T	S	M	P	A	P
3.—	11.05 p.m.	BD—18,4536	7.3	D	10.3	110°
4.—	7.44 p.m.	BD—19,5047	6.0	D	11.2	128
11.—	3.41 a.m.	BD—1,4525	6.3	R	17.5	269
14.—	4.00 a.m.	29 Arietes	6.5	R	20.5	212
15.—	1.28 a.m.	BD+12,452	6.4	R	21.5	309
25.—	4.07 p.m.	Venus	—3.4	D	2.5	69
25.—	5.05 p.m.	Venus	—3.4	R	2.5	341
31.—	9.32 p.m.	BD—18,4688	6.6	D	8.8	65
31.—	10.24 p.m.	BD—18,4696	6.6	D	8.8	20
31.—	11.27 p.m.	Gamma Sagitt.	5.5	D	8.8	102

SHIRTS

TOYO MURAKAMI
270 KIANGSE ROAD
SHANGHAI

OBJETS D'ART
KIMONOS PEARLS

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